密勒氏評論報

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Observations By T. R. Jernigan

American, Russian, Chinese Cooperation in Siberia

By Hollington K. Tong

Possibilities of China's Great Fishery Industry

The Powers Advise China to Settle Her Internal Troubles

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Standard Locomotives for Chinese Railways

By Charles Denby, Special Assistant to Department of State

ONE of the urgent needs of China to-day is locomotives. The demands upon the railways have far exceeded the expectations of the builders. The locomotives bought in the first instance have proved too small and it is now clearly realized by the technical advisers of China that they must standardize upon a type that will meet their needs for a long time to come. This question is being earnestly considered at the present time, and the problem arises for American consideration: Will the standardization be along the lines of American design or will it be made to conform to a European model to the detriment of American interests?

Of the 15 lines composing the system of Chinese government railways, only one was built by the Chinese themselves; it is financed by the Chinese government and is operated exclusively by Chinese. The funds for the construction and equipment of the various other railway lines of China were furnished by foreign capital of various nationalities, but not in a single instance has America so constructed and equipped any of these lines. As a result to-day the Continental (European) design of locomotive is predominant in China. On some of the lines, notably those under English and (hitherto) German influence, not a locomotive other than those built in accordance with the prevailing design common to the nation financing the railway was purchased or even considered, either for initial or subsequent equipment—at least, up to the time of the outbreak of the war. Only in the case of the Chinese financed and operated railway have American builders been given a free hand, with the result that an American design was adopted and a thorough standardization of power effected on this line.

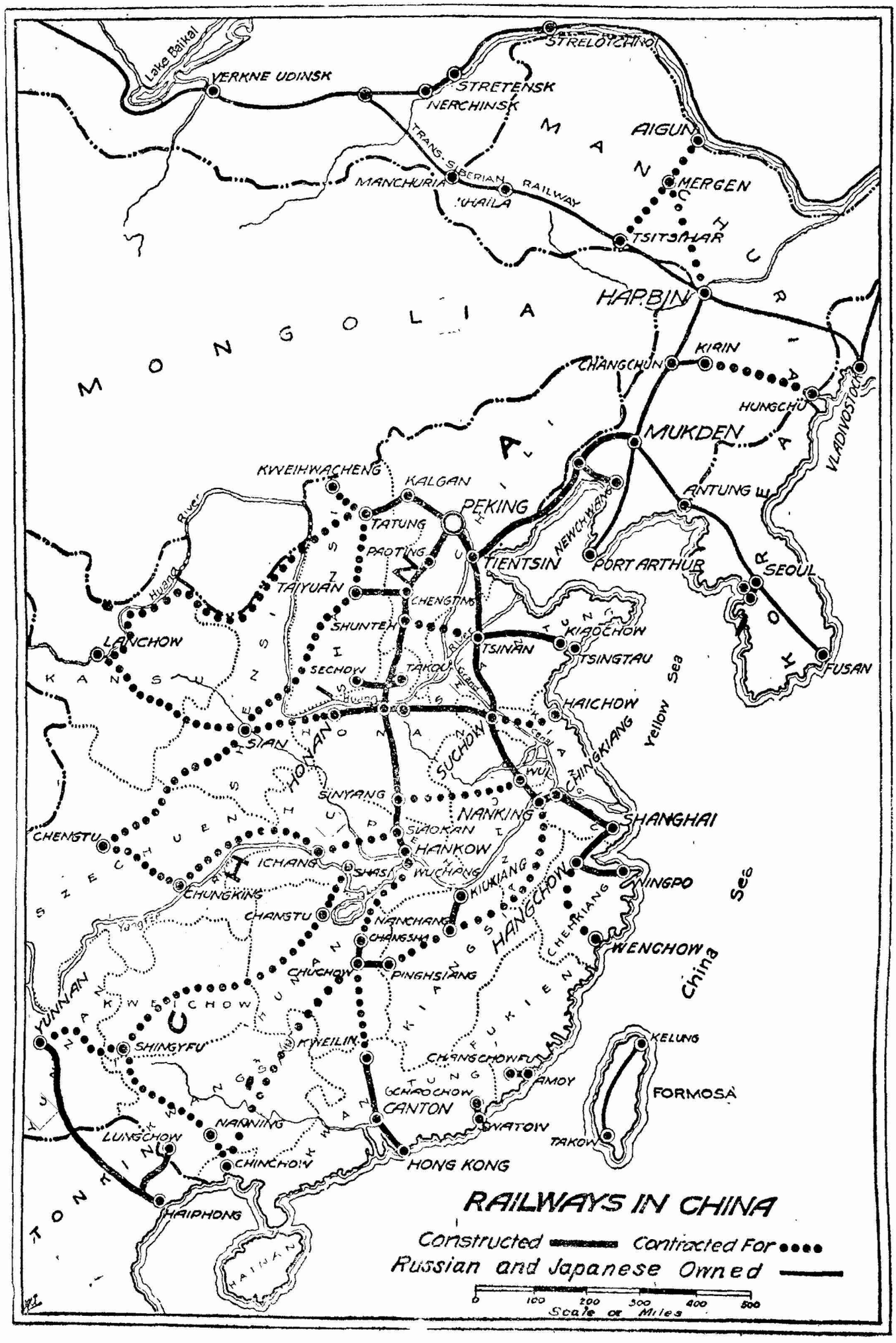
The latest statistics published by the Chinese government railways (June 30, 1915) show that of a total of 6,600 kilometers (about 4,100 miles), including main and branch lines, industrial tracks, sidings, etc., the three principal truck lines compose approximately 62 per cent of the total. One of these three lines is under English, one under Belgian and French, and one under combined English and (hitherto) German influence. Out of a total of 638 locomotives in service on all lines at that time only 15½ per cent were of American design and manufacture; and on the English, Belgian and French lines mentioned, which operated at that time 365 locomotives, or approximately 60 per cent of the total, only 8, or approximately 2.2 per cent, were of American design and manufacture.

Since the outbreak of the war but few locomotives have been purchased and placed in service in China, owing principally, perhaps, to a lack of available funds and to internal disorders in the country. As a result of this and of the constantly increasing traffic, the railways are now urgently in need of power. As is often evidenced in the case of new roads, this particular instance of China shows that traffic has increased far beyond the estimates that were made when the initial equipment for power was under consideration, with the result that in addition to the natural depreciation and abandonment of locomotives on account of age, those left in service are light and not of adequate power for the most part to handle the traffic of to-day.

In 1917, 24 additional heavy locomotives were placed in service, and in 1918, up to the present, 2 more have been erected and 4 are under process of assembly for the government lines. Orders have been placed or are about consummated for the further addition of 56 locomotives—all for the urgently needed heavier power. Of this number 38 are to be built strictly in accordance with American design and all are from American builders. In addition to this number there are 2 on order and 21 being considered for private lines; these are to be of American design and standards.

The question of the standardization of power and rolling stock is just now being most earnestly considered by the Chinese government, but a considerable time may elapse before this scheme becomes an assured fact. One American builder has for the past seven years been anticipating the coming of this event, and since the standardization of power on the Peking-Kalgan line every locomotive sold into China by this builder, whether for government or privately owned railways, has been designed and furnished with this end in view.

Pending the adoption of a standardized power by the Chinese government the greater the number of modern American design locomotives that can be furnished to the railways here the greater will be the opportunity to obtain the adoption of a strictly American design as the standard of power for China. The benefit of this to American interests is incalculable and should not be lost sight of.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密勒氏評論報

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IN the REVIEW for November 23, the fear was expressed that the gathering of Chinese military governors at Peking which was called by the President for the purpose of discussing peace in China, might turn out in the manner of a similar conference held in the Capital a year ago when an attempt was made to restore the boy Manchu emperor to the throne. As noted elsewhere in this issue, the foregoing has happened, hence the meaning back of the Note which the Powers presented to the President of China at Peking and also to the Chinese Southern government at Canton on December 2 :

It is with grave concern that the American, British, French, Italian and Japanese governments have witnessed the continued civil strife which for the past two years has divided this country. This unhappy division has proved no less harmful to foreign interests than disastrous to the welfare of China itself. The consequent unrest has been an encouragement to the enemy, and during the crisis of the war hampered the effective cooperation of China with the Allies and now that that crisis is past and the nations look forward to the hope of effecting some reorganization of the world for the realization of peace and justice among all peoples, the disunion still prevailing in China makes their task more difficult. The associated governments aforesaid have observed with hopefulness the steps already taken by the President of the Republic of China with a view to the settlement of civil strife, and have been happy to believe that the attitude of the Southern leaders indicated no less a desire on their part to arrive at a suitable adjustment of differences. These governments, therefore, have taken the occasion to express the sympathy and hopefulness with which they regard these indications of a desire on the part both of the Peking government and the leaders of the Southern party to set aside all considerations of merely personal sentiment and legal technicality and, while carefully refraining from taking any step which might be an obstacle to peace, to seek without delay, by frank conference, some means of attaining a reconciliation upon a basis of law and devotion to the interests of the Chinese nation such as is necessary to assure to China peace and unity within its borders. In taking this action to express earnest sympathy with the efforts of both sides to achieve a solution of the difficulties that have hitherto divided them, the governments aforesaid desire to make clear that in so doing they have contemplation of no ulterior plan of intervention and no desire to control or influence the particular terms of the adjustment, which must remain for the Chinese themselves to arrange. They only desire to lend what encouragement they can to the aspirations and efforts of both parties for a reconciliation and re-union which will enable the Chinese nation to bear the more worthily of its own traditions its part in the reconstruction which the nations of the world are now hoping to attain.

COUPLED with President's Wilson's friendly advice to China on the occasion of the Chinese national holiday the friendly Note of America, Great Britain, France, Italy and Japan of this week, China should now understand the feelings of the rest of the world as to political

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conditions in this country. Foreign and Chinese newspaper comment in the Far East is unanimous in support of the advice to China to compose her internal differences and get her house in order for the peace conference. There is one further point involved that has not been expressed and that is the fact that under the new era of world affairs, no nation will be permitted to so conduct itself internally as to provide a danger spot from which might develop another world war. Conditions in China since the beginning of the war in Europe have been such as to provide here in the Orient, the seeds for another world conflagration. It is all right for China to have a civil war, providing there are principles involved that might lead to future good for the people of the country, but the impartial outside observer has been unable to discover much else than selfish ambitions, official crookedness, and a general disposition to permit the country to go to the dogs, so long as a few leaders could make money out of the fight. Japan has been blamed and justly so for the part she has played in secretly intriguing and financing the various Chinese factions, but after all the Chinese officials and politicians themselves are to blame for their lack of patriotism in permitting an outside nation to so use them. Every secret concession granted and every loan agreement that has been signed with the Japanese since the beginning of the war, has the signatures of Chinese officials on the document as well as the Japanese signatures and seals.

ALONG with the news of the presentation to China by the Powers of advices on the subject of internal peace, come further significant statements from both Peking and Tokio. A cabinet meeting in Peking held immediately following the receipt of the note from the Powers, voted unanimously to proceed at once with the peace negotiations with the possibility of holding the conference in Shanghai. At the same time, Baron Hayashi, Japanese Minister to China, announced the new Japanese policy toward this country which, according to his statement, will be moderate and just in the future. Mention of returning Tsingtao, with the exception of a Japanese "concession," was made; the withdrawal of part of the Japanese forces from Siberia; the warning of Japanese financiers by the Japanese government to make no further political loans to either China or Siberia; and a statement by the Japanese Minister, that he was confident that the future policy of Japan would be conciliatory and friendly toward China and in complete agreement with the Allies. Perhaps the most significant statement from Tokio however was to the effect that the joint Note by the Powers to China was inspired by Japan. In view of the strenuous efforts that America and Great Britain have been making for the last few months to get Japan to join with them in advising China to settle her internal affairs instead of continuing the policy of encouraging dissension in this country, the latter statement from Tokio is indeed interesting.

DURING the week preceding the presentation of the Note to China by the Powers the Chinese peace movement received a setback from some of the military governors who were visiting Peking in connection with the military conference called by President Hsu Shih-chang. These military governors have begun to see that the cessation of civil strife is likely to be unprofitable to them from a personal standpoint, involving as it would a loss of power and the chance to secure war funds from the Central government. In order to make their opposition to the peace movement more effective, they have organized a new party called the "*Fuhutungpaochui*" or "Comrade-at-Arms" Society. Some call this new organization a new Peiyang party, which is now making its influence felt. Nominally, all the principal Northern military men have joined the new party, but as a matter of fact, it is being promoted by three or four persons. General Chang Tso-ling, military governor of Fengtien, General Tsao Kun, military governor of Chihli, and General Ni Shih-chung, military governor of Anhwei, are the principal promoters of the Comrade-at-Arms Society. The new development is most unfortunate for China. Two weeks ago, the undesirability of assembling so many important military men together in the Metropolis, especially remembering the Tuchun's conference a year ago, which resulted in the restoration of the Manchu emperor to the throne, was mentioned in the REVIEW.

GENERAL Tsao Kun has been working hard for the vice-presidency. In conversations with important officials in the Capital he is reported to have said that since his nomination for this honorary office has been defeated twice, he now must have the vice-presidency. General Wang I-tang, Speaker of the House of Representatives, is working hard on his behalf. It is believed that another attempt was to be made to elect General Tsao to the vice-presidency, and that failure of the election might result in an awkward situation. In opposition to the movement for the election of General Tsao to the vice-presidency, the followers of Liang Shih-yi, Speaker of the Senate, were leaving no stone unturned to frustrate it, contending that if a Northerner becomes Vice-President it would become impossible to negotiate for internal peace with the South. In the end this contention must win, because the majority of the people, who are tired of continuous disturbances for the

past year, will not give their support to those who are attempting to keep up the chaotic condition in China. The continuation of disturbances may deprive China of advantages to be derived from the international peace conference. Such a consideration, however, carries little or no weight with China's war lords, their interests being personal only.

IN the meantime, efforts are being made to send the present Acting Prime Minister into retirement and make General Tuan Chi-jui, former Premier, head the cabinet for the fourth time. The military governors naturally welcome the return of General Tuan to power, as he is the most persistent advocate of the policy of fighting the South to a finish. Should he return to the cabinet, there will be the possibility of electing General Tsao Kun to the vice-presidency, and a possibility of curtailing the power of the President. Some dissatisfaction has been expressed by the military men with the Chief Executive, and it is pointed out that he is working too much for a compromise between the North and South. The political situation as it stands to-day is far from being satisfactory. Commenting on it, the *Peking Leader* has this much to say: "Uneasiness regarding the Tuchuns is not decreasing, for there are signs that the militarists are now showing opposition to the President. There is reason to believe that the Tuchuns are awaiting news from General Hsu Shu-cheng (now intriguing in Japan) before leaving the Capital. General Chang Tso-ling states that he has 200,000 troops, including police, under his command. General Li Shun at Nanking is reported to be recruiting and getting ready for the march against the Tuchuns in the North if they interfere with the peace negotiations. General Chang Tso-ling, however, is in a position to take control of the Peking-Tientsin railway if he considers it necessary."

THE *Christian Science Monitor* of Boston thus summarizes the present political condition in Japan: "Now that fuller information is available in regard to the matter, it is coming to be seen that more than ordinary significance is to be attached to the recent rice riots in Japan. After the first announcements, in August last, that rioting was in progress, the government took the question in hand, and imposed upon the Japanese press the most vigorous censorship. The papers were enjoined not to mention the riots on any account, and, after considerable protest on the part of the Press Society, the utmost the government would concede was to allow the newspapers to publish two bulletins each day on the subject. What news did leak out at the time, however, showed that the condition was serious enough, but now that more details are available, it is seen that the situation was very much worse than was allowed to appear at the time. In Tokio alone, where the least damage, perhaps, was done, and where the popular outbursts were more under control, 700 arrests were made, whilst the accounts now available tell of protesting bands in the towns of eighteen prefectures, the destruction of rich men's homes in all directions, the break-up of police boxes, and the rifling of rice stores and other shops all over the country. To allay the trouble the government resorted to drastic measures. Immense doles of rice were made to the peasantry, and the Emperor headed a popular list for relief by a contribution of Yen 3,000,000. Now the situation was generally attributed to profiteering, and undoubtedly was to a very large extent due to this particular form of extortion. It was, moreover, more than hinted that certain members of the government were involved in the matter, and the charge was openly made that the Foreign Minister, Baron Goto, was connected with a firm which notoriously engaged in profiteering of the worst description.

"THE fact of the matter is, however, that the rice riots of last August were only the first serious outbreak of a popular discontent which has been growing steadily in Japan for the last two decades. It is not generally appreciated that the government of Japan, although outwardly on a constitutional basis, is, in reality, absolutely autocratic. Some thirty years ago, when the question of giving a constitution to the country was being considered, a delegation of Japanese jurists and scholars went to Europe to investigate the constitutions of the various European countries. They visited England first, and set about the work of investigation. They were, however, at once faced with the difficulty due to the fact that the United Kingdom pos-

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sesses no written constitution, and that the whole fabric, which has lasted so long and worn so well, depends entirely on precedent. The Japanese delegates, accustomed as they were to copying what they found, and not to evolving something of their own from impressions gained, gave up in despair the idea of securing anything from England and went over to Germany. In Germany, of course, they found a constitution written out to the dotting of the last "i" and the crossing of the last "t," and Japan adopted, practically in its entirety, the Constitution of the German Empire. The history of Japan ever since that constitution was promulgated, in 1889, shows how completely it has been built up on the German model. The government of the country is entirely in the hands of the upper, official, industrial and mercantile classes, and no single act of legislation has been passed in Japan during the last thirty years which has really tended to mitigate the lot of the working people. The rice riots of last August were one of the first protests against this condition, and not the least significant feature in the incident was the fact that women took so large a share in it. The protest of some fisherwomen was, indeed, the beginning of the matter, and women everywhere joined with the men in their demand for redress. In Japan, as in other countries, the war is bringing about revolutions, and, although that nation has not entered into the struggle in the same way as the rest of the Allies, yet recent events show clearly enough that the glimpse of a higher freedom which is coming to other countries is finding its way also to Japan."

THE REVIEW recently printed a notice regarding a "clean-up" campaign that was conducted in Manila. The notices stated that some fifty inmates of the segregated district of that city had been deported and that they had come to Shanghai as a new field for their questionable enterprises. In connection with the matter, we reprint the following comment from the *Philippines National Weekly*, a magazine published on behalf of the interests of the Filipino people in Manila:

We do not quarrel with the motive of the authorities in their zeal to free Manila of its most obnoxious center of vice. We believe, however, that a grave error has been committed in the high-handed manner in which the Gardenia (Japanese geisha girls) girls have been deported. It is a dangerous violation of the fundamental principle of individual right, this summary deportation of these women. However disreputable may be the persons concerned in this unfortunate affair, it yet remains a fact that they have been deprived of their personal liberty without the due process of law, and this in a country where democratic ideals inspire every move and act of the sovereign power here and of the government which that power has established. We cannot sacrifice fundamental principles of government and freedom for the moral regeneration of a degraded portion of the community. Their majesty should remain inviolate and this latest attempt to besmear that majesty with the errors of haste and mistaken zeal should prove the last and serve to impress upon us the respect due to cherished institutions safeguarding the freedom of Filipino citizens.

This comment has an interest for Shanghai, owing to the efforts now being made to cleanse this city of certain forms of vice. In our opinion, the Shanghai Moral Welfare Committee is working in the right direction, when it seeks first to educate the public on the various questions, rather than to rush blindly into a clamor for legal enactments and wholesale closing of so-called sore-spots both inside the International Settlement and outside. American cities a few years ago used the plan of giving objectionable vagabonds or "tramps" so many hours to leave the city. This helped one town, but did not help the city a few miles away. It was only a make-shift that enabled officials of a certain type to pose as righteous individuals, when they in reality were too cowardly to attack the problem in the proper manner. In China, as in other Oriental countries, it will require many years of education to bring about moral standards that are accepted as right and proper in Western lands. Education has done more in America and Europe for prohibition than all of the stringent "dry" laws that ever were enacted. Precipitate drastic action in one place is quite likely to have a worse effect on the general situation, than a slower, but more general, campaign of education that would include the whole problem in all of its aspects and problems.

An American School for Shanghai—Observations

BY T. R. JERNIGAN

IN MILLARD'S REVIEW of June 22 and several times since timely editorial references have been made to the necessity for a suitable school building for American children at Shanghai. It was stated that in the city of Shanghai and vicinity there were four hundred American born children of school age; and it is generally known that there is no building specially devoted for educational purposes and which emphasizes the American idea of the importance of education. There have recently been several "drives" for money at Shanghai and other open ports of China, and the drivers appear to have overtaken large sums. There was the drive in the interest of the sale of the Liberty Bonds, and the drive for funds in support of the Red Cross Association, a drive in aid of the Young Men's Christian Association, and recently a drive in support of the United War Work fund, but there has as

yet been no drive to find money with which to erect a building to exemplify what Americans think of education.

THERE will be no use for Liberty Bonds, and there will be no other kind of Liberty if education is permitted to languish, and it will not only languish, but die, if our children are not properly educated. There is no slavery so destructive to progress and enlightenment as the slavery of ignorance. In the first Book of Kings, Chapter 3, it is related, that when Solomon was offering sacrifices in Gibeon the Lord appeared unto him in a dream at night and said, "Ask what I shall give thee," and Solomon asked, "Give thy servant an understanding heart to judge thy people, that I may discern between good and bad." And God said unto Solomon, because thou hast asked this thing, but nothing for thyself, I have therefore given thee a wise and understanding heart, and as there was none like thee before, neither after shall any arise like unto thee. When America entered into the war President Wilson issued a special address in which he advised the students at the schools and colleges to continue their studies, and for the reason that the future of the country could be made bright and hopeful by the education of its girls and boys. The President earnestly opposed any relaxation on the part of the schools and colleges of their efforts to promote the cause of education

IF a visitor to Shanghai should be interested to learn what the different foreign nationalities composing the population of the city were doing for education, he could soon have the ocular proofs as the result of a few hours' ride. If he visited the French Concession he would see that the French had made thorough preparation for the means of a primary education. Their school buildings are constructed not only with a proper regard for the health of the students, but as well to produce healthy impressions by pleasant surroundings. In the International Settlement he would see that the English and Japanese have large and handsome buildings for school purposes, and that the taxpayers of Shanghai are liberal in having their money expended to give the poor and unfortunate the opportunity to acquire an education; and it is only necessary to go into the banks and business houses of Shanghai to be convinced of the great advantages of the Municipal Public Schools. But there are no school buildings, public or private, comparable to such as referred to for the children of American citizens residing at Shanghai. American money has been subscribed in America and used to purchase beautiful locations on which no less beautiful buildings have been erected for the education of Chinese girls and boys, and all of which is approved, but why do Americans in America and China become so thoughtless of the great importance of preparing the proper places for the successful education of American children? Americans would not tolerate any such a policy in their own country, and why should it be tolerated when they come to China? A few authentic statistics will be self-explanatory.

BEFORE the war the average annual enrollment of students in the American educational institutions was on the increase of about half a million. In 1910 the enrollment was 20,616,338, and in 1913 it was 21,632,513. The figures for the different types of educational institutions show that the enrollment in the primary schools in 1916, was 18,895,626, and in the high schools and academies 1,456,061. The figures given with reference to the number of enrolled students in primary schools for 1916 show an increase of 2,000,000 in six years. In 1916 there were 12,003 public schools and of these 8,906 had full four years' courses, and more than 93 per cent of all the public high schools are now in four year high schools. In the same year (1916) the expenditures for education are estimated to total G. $900,000,000 and gifts and bequests to education amounted to G. $37,095,280. The statistics refer to the primary and public high schools, and not to the universities, colleges and technological schools, which are filled with students and in prosperous condition. They indicate the interest taken by Americans in the promotion of knowledge in their own country, and there is no excuse whatever why the same interest should not be taken in this important subject, so closely related to the permanent welfare of their children, when they come to Shanghai. In the Philippine Islands the Americans inaugurated a system of education which is yearly showing the most satisfactory results. In the year 1916 there were enrolled in the public schools of the Islands 647,256 students, and the total number of schools houses were 4,496. The same gratifying progress in education is to be noted in Hawaii where, in 1916, there were enrolled in the public schools 32,282 pupils, being an appreciable increase. In Alaska and Porto Rico education is receiving the careful attention of the authorities and no opportunity or money is spared to prepare the rising generation for usefulness.

HOWEVER deserving the praise for the liberal response of Americans at Shanghai to the call of their government for money, they should not forget that the chief corner-stone of their government reposes for its main safety on education. It must be pleasing to every American to read in the great journals and newspapers of the world that his countrymen who are marshalled under his flag in France are generally

better educated than the soldiers of any other nationality, and this is because of the excellent condition of the public schools of America and the attention constantly given to make and keep them efficient. It is hoped that the REVIEW will continue to remind Americans at Shanghai and vicinity that the time has come to wake up to the necessity of providing a convenient location for an American school, and building on it an appropriate house for school purposes. In no sense is it meant to disparage the efficiency of any school in operation at Shanghai, but to heartily endorse the proposal of the REVIEW to make preparation at once in order that it may no longer be said, that American children at Shanghai are dependent on the schools of other nationalities and must learn their lessons from the school books of such nationalities. *Give American children at Shanghai the chance to study and learn under their own flag and from American school books.* That is the way to have patriotic American citizens and loyal supporters of their Republican government.

THE Anglo-Saxon has ever been thoughtful that the law-making department of his government should be the department in which he was directly represented. He has never willingly entrusted the safeguarding of his personal and property rights to any authority which was not established by his voluntary act, and the regulation of which was not under his control. The principle of self-government here indicated has been the cherished prerogative of the Saxon during the centuries of his history, and the pages of which he has filled with struggles and sacrifices to maintain. It is the principle which guided and controlled his remote ancestors when they met together in the peninsula which parts the Baltic from the Northern seas and around their "sacred tree," ordered their industry and framed their own laws. And from such gathering, at which was ordered the village life and industry, have developed the Parliament at Westminister, and the Congress at Washington. The people of Great Britain are represented in their Parliament and the people of the United States in their Congress, and before a law can be effective in either country it must have the approval of the Parliament or the Congress of that country.

THUS it is seen, that the two great branches of the Anglo-Saxon race live under representative governments. The English branch is governed by laws made by a parliament which derives its authority from the English people, and the American branch has entrusted to a congress the making of its laws. Both the Parliament and the Congress are based on organic laws known as constitutions. The English constitution is not a formally written document but it is no less organic. It is written in the form of the acts of the Parliament which constitute the statute law of England as interpreted by her supreme judicial tribunals. The American constitution is formally written, and defines how many departments there shall be of the American government, their relations, and the powers and limitations of each department. Although the English and American peoples have their respective constitutions, which they cherish as the authority of their laws, it does not mean that these instruments are unalterable. The English can change any part of their constitution by an Act of Parliament, which is the supreme authority in the whole of the British Empire. But the American Congress is not supreme in a similar sense, and for the reason, the constitution is supreme over Congress. The English are represented in their Parliament. The Americans are represented in their Constitution. Parliament has no limit to its power, but the power of Congress is limited and especially defined by the constitution. Parliament can dethrone the British King, appoint a King of a different family, or change the form of government, but Congress cannot interfere with the President so long as he performs his duties, for both the President and Congress are created by the constitution, which prescribes certain duties for each, and in their performance one is independent of the other. Every department of the American government derives its powers from the constitution, but the entire machinery of the British government is regulated and put into operation by the action of Parliament. It follows from what is above written that the two nations which are the more powerful in resources and more liberal in their laws are the two whose governments are representative in character. They are the two governments which are directly based on the will of their peoples and the organic structures of which were built up and established by the people. Now there are certain chapters in English and American history which are specially informing on the subject of representative government, and which may be urgently recommended to the attention of some of the public men of China who are leading China so far away from the fundamental principles of such a government.

IN that history it may be learned that when a people make up their minds to live under a government whose form is defined by a written constitution, and the powers of which are set forth in the same instrument, those who would defeat its operations are not loyal citizens and should not be recognized. It cannot be said that the government at Canton is disloyal to the constitution of China, but on the contrary the

Canton government submits to the nations of the world the unanswerable contention of its loyalty, in that it favors the removal of all obstructions to the practical workings of the constitution. It urges that the Peking government shall show a like spirit of loyalty, by ceasing its obstructive policy in order that the constitution may become effective. It would seem evident that if the Peking government favored the constitution, if it was loyal to the Republic of China, there should be no difficulty by proving it by joining with the Canton government, thereby giving vitality to the constitution and proclaiming the Republic anew. The men who are now shaping the policy of the Peking government are about as far from the constitution as they can get, and a serious consequence is they have involved China in great trouble and the trouble increases under their shaping. No one can safely say, that if the constitution had been loyally supported there would to-day be civil war in China, but must it not be admitted that if the government formed by the constitution had been properly administered there would be peace. The source of the trouble and the cause of the civil war may be traced to Peking, for if the men in power there should see that the constitution was enforced the trouble and the war would end. Whatever may be the mistake of the Canton government it has steadily contended that the constitution was the supreme law of China and should be loyally supported by all Chinese. The doctrine is safe and sound, and if the Peking government should subscribe to it in good faith the present divided household of China could probably be soon united.

AND it is unfortunate that China is not united. The nations associated in the Allied Cause have just won a great victory over autocratic power, represented by Germany, and are preparing to send representatives to a peace conference, soon to assemble in France, to adjust the relations of states and to promote the peace of the world and the safety of the governments founded on the consent of the governed. The nations thus preparing to be represented are united in their domestic relations and alliances, and the credentials they bear will secure for their delegates ready admittance to the conference. China is one of the Associated Nations but divided in her domestic relations. Her present condition is such that the representatives she might send could not bear the commission of a United Government nor could the seal applied to their credentials entitle them to an equal vote in the conference, even should it be sufficient for their admission. There is little doubt that China will be treated considerately at the conference and her delegates courteously, but it would be embarrassing if the divisions among her own people made it the unpleasant duty of the conference to admit the Chinese delegates as only an act of courtesy. It would be a humiliation in the eyes of the world and if it is in store for China, then her own divided household will be responsible.

IN the REVIEW of November 30, appeared ten subjects which China proposes to submit to the peace conference for its consideration, and it is doubtful if the majority of the subjects are relative to the purpose of the conference. There are several which appear of a local character and not of an international bearing, and it is probable the conference may refer back to China all such questions to be adjusted between her and the particular nation interested. In the list of subjects, that of Exterritoriality is given the first place. There is no difficulty in appreciating the wish of China to exercise the rights of a full sovereign state as defined by international law, but is China prepared to exercise those rights in accordance with the law of nations? If the conference should decide that the subject of extraterritoriality could properly come before it, there would follow a searching inquiry into the whole judicial system of China and its administration, and the result of the inquiry would not be favorable. There is no doubt that China has commenced to reform her judicial system, and is at present engaged in codifying her laws, but this commendable move in favor of reform does not necessarily mean that there is practical reform. When China entered into treaty relations with foreign states, she agreed that the citizens of such states residing in her territory, were to continue under their respective laws, and this is what is meant by extraterritoriality. The judicial system of China at that time did not merit the trust or confidence of foreign states and, unfortunately, it is not merited now. There has been no judicial improvement in the system of China, since the signing of the Nanking treaty in 1844, as to justify foreign states in remitting to China jurisdiction over their citizens. No foreign state would arbitrarily withhold from China a right that touches her pride and sovereignty, but how can China complain when she has consistently and persistently refused to remodel her courts and the administration of justice demanded by the progress of the age! Is it possible that her leading men would go on living in blindness to the requirements of passing events and expect foreign states to be also blind as to the necessary safeguards of their citizens? If China wants extraterritoriality abolished she will have to materially change from a judicial viewpoint, and her real friends will advise her that there are many and far reaching changes necessary. And that is one

line that China could advisedly follow the example of Japan. Not many years ago Japan was subject to the doctrine of extraterritoriality and made many efforts to rid herself of it. Every effort failed, until Japan remodelled her judicial system, adopted a code of new laws, approved by Western states, and then succeeded in being recognized as a full sovereign nation. Here is an object lesson China could study to advantage. It might teach her the ways and means of becoming a full sovereign nation. But what can China reasonably expect to do at the peace conference with a divided household? Is she going to the conference as the ward of Japan and lose face irretrievably? The conference will tolerate no backstair diplomacy. It is an important time in China's history.

THE Note addressed to China by her associates in the Allied Cause is of special significance in its bearing. It says to China, that owing to the condition of your domestic affairs you "have been an encouragement to the enemy, and during the crisis of the war hampered the effective cooperation of China with the Allies, and now that that crisis is past and the nations look forward to the hope of effecting some organization of the world for the realization of peace and justice among all peoples, the disunion still prevailing in China makes their task more difficult." The language quoted above from the Note is an admonition and a warning. It admonishes China that her course and conduct during the war was an encouragement to the Germans and that since the signing of the armistice it has been an embarrassment to her Allied associates. China is thus arraigned before the world, as having declared war against Germany, and then so conducting herself as to give Germans aid and comfort, and after the war continues to conduct herself in a way that hampers and embarrasses her Associates in securing peace for all nations. There is no escape from the justice of the accusation. The facts support it as a whole and in detail and cannot be successfully denied or qualified. China has had plenty of warning, but has turned a deaf ear to it all. The warning is that China will not be allowed to be an obstruction any longer. If she will not live up to her declaration, her word hereafter will not be relied on, and she will invite the settlement of her domestic troubles by outside influences. The note is more than a diplomatic intimation.

American-Russian-Chinese Cooperation in Siberia?

BY HOLLINGTON K. TONG

A MOVEMENT is afoot in Peking to establish a Chinese, Russian and American industrial company for the development of Siberia and North Manchuria. Several influential Chinese bankers are behind it, desirous as they are of developing that part of the world on a legitimate commercial basis. Several Russian and American officials in China have expressed their approval of this industrial cooperation, and are lending their influence in order to make the proposal a success. It is admitted in Chinese banking circles that the movement is intended to off-set the menacing influence of Japan, which is being extended across North Manchuria and is reaching the farthest part of Siberia with alarming rapidity.

"Since the commencement of the European War," states one of the promoters of the Chinese, Russian and American company, "industrial enterprises in Siberia as well as in North Manchuria have severely suffered. That the Russian and Chinese capitalists are either unwilling or unable to finance them constitutes the main cause for their failure. Many profitable business propositions have been detrimentally turned over to the Japanese because of the financial stringency and the steady depreciation of rouble notes. On the part of the Chinese, it is found that not only the lack of funds, but also the want of technical knowledge to develop rich natural resources in that region, such as forests and mines, has been responsible for the sale of a number of valuable concessions or for their inability to develop the most profitable enterprises.

"As peace has become a reality in Europe, it is important not only to Russia and China but also to the world at large that the Russians and Chinese should cooperate in the development of all possible industrial and commercial undertakings in Siberia and North Manchuria so that they may be opened up and the relationship of these two countries strengthened.

"It is, however, apparent that without the assistance of America, such Russian-Chinese cooperation is difficult of realization, especially at the present time when Russia has not yet evolved order out of chaos and that her people, on account of the disturbing conditions, cannot be persuaded to invest money, much as they may wish. If America will take the lead, both Chinese and Russian capitalists will follow and open their purses for the development of the region. America is undoubtedly interested in Siberia, as is shown in her expedition thither, the purpose of which was none other than to help the Russian people and see to it that no nation could take advantage of the chaotic situation and

exploit Russia. America is also looked upon as the source from which funds and technical knowledge can be obtained. American financiers have already begun to take an interest in the Far East and consider it as the greatest potential market in the world, and it is believed that their interest is likely to increase.

In this connection I have proposed the formation of a Chinese-Russian-American Industrial Company with a capital of say Rls. 30,000,000 to be subscribed in equal shares by Chinese, Russian and American capitalists. It is desirable that the head-office of the bank should be located in Harbin, the center of commercial and industrial activities in that part of the world. The proposed company would invest its capital in all kinds of industrial enterprises and would also secure or under-write loans on behalf of other companies, for the development of mines, forests, railways, shipping, flour or oil mills. A number of my colleagues who are influential in banking circles are backing the proposition, and are willing to put up capital as the Chinese share of the industrial company. It is felt in Peking that the establishment of such a company is a vital necessity to the preservation of peace in Asia."

It is unnecessary to emphasize the need of Russian, Chinese and American cooperation in Siberia and North Manchuria in view of South Manchuria becoming a Japanese province to all intents and purposes and European and American traders having been literally expelled from that market.

Whilst the attention of the world is being directed to Japan's exploitation of South Manchuria and China proper, Japanese government agents dressed in merchant garb are seeking a new field for conquest in Siberia and North Manchuria. Unless the West sees the critical situation and quickly acts, Japan will also convert that part of God's earth into a second Chosen. A firm foundation for the creation of a Japanese Germany in Asia by first acquiring a financial control of not only China, but also a part of Russia, then securing the industrial and commercial control, then the control of natural resources and finally the territorial control, is being laid apparently without the knowledge of America and the Entente, which have crushed one Germany in Europe, and which may be called upon to crush another Germany in Asia; otherwise they would have taken more drastic action to cope with this menace. It will take the world at least ten years to recover from the effects of this war of democracy *versus* autocracy. It is feared that before its complete recovery, the world may have to arm itself to fight another autocratic power. The present war, which has just been completed, has been terrible enough, but the future war, which will be a race war, may be a hundred times more terrible.

Realizing the consequences of unbounded national ambition, many influential Japanese, who are gifted with greater insight into the future, are fighting with vigor the dominant military party whose policy is to do anything and everything which will make possible the establishment of a Japanese world empire. There are two ways to deal with Japan: (1) Leave Japan alone and let her carry out her world empire idea and then crush her when she becomes intolerable; (2) Nip it in the bud by taking adequate measures to prevent Japan from following in the footsteps of Prussia and creating a great empire by the combination of Japan, China and Siberia. One of such measures, in the opinion of the Chinese bankers, is the establishment of a Chinese, Russian and American industrial company as above suggested.

A brief consideration of Japan's activities in Siberia and North Manchuria will make the formation of a joint company to develop natural resources legitimately, increasingly more important. A number of Chinese officials who have recently returned from that part of the country, state that forest and mining concessions in Siberia granted to Japan have been too numerous to be remembered. These concessions have been acquired with paper money.

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Prior to Japan's expedition to Vladivostock, the Japanese government, it may be remembered, instructed the Chosen Bank to issue Yen 10,000,000 worth of military notes. The first instalment of Yen 3,000,000 went with the Japanese troops to Vladivostock. As these notes were unconvertible, the Russians were strongly against them. In consequence, the Japanese government instructed the Chosen Bank to cash these notes with roubles at the rate of one yen for five roubles. Exchange shops were established along the Siberian railway and in every large city. But by manipulation, the circulation of roubles will greatly be decreased and the Japanese yen notes will remain in Siberia and North Manchuria nevertheless, as they have remained in South Manchuria ever since the Russo-Japanese War. At present these yen notes are being used to acquire Russian concessions.

The extensive circulation of Japanese notes in Siberia will prove disadvantageous to Russia to an unusual extent for the following reasons:

1. The Russian roubles will be driven out of Russia;

2. The issue power will ultimately be in Japan's hands;

3. When the power of issuing notes is secured by Japan, she can develop her industries in Siberia with considerable ease. It is said that a Japanese merchant who has a capital of only 1,000 dollars can transact 100,000 dollars worth of business through the assistance of his bank;

4. With the loss of the issue power, Russia loses the control of the financial market in her own territory.

Japanese merchants can successfully compete with merchants of any other nationality in South Manchuria to-day. Why? Because their own banks can issue their own notes to any quantity and lend to them. Even the Chinese merchants will have to borrow money from the Japanese banks at a high rate of interest and on very unfavorable terms. The same situation will exist in Siberia and North Manchuria sooner or later.

As China's, as well as Russia's, issue power in Siberia and North Manchuria is weak, an organization is needed to readjust financial conditions as well as to protect mutual industries. If Chinese and Russian cooperation can successfully prevent yen notes from acquiring a national circulation all kinds of enterprises, mines and forests will remain in their hands. The proposal of a Russo-Chinese cooperation is at the mere stage of discussion, but, in the meantime, Japanese government agents are pushing forward their national interests with the assistance of their paper money at the speed of the Irish train.

A Japanese-Russian bank, for instance, has been recently established with a total capitalization of Rbls. 30,000,000. There are many rich Russians now residing in Harbin, and it is from them that a large portion of the capital has been obtained. The principal object of the bank is to secure commercial and industrial privileges and mining and forest concessions in Siberia, and make loans to the Russian merchants with important rights as security.

Very soon a Japanese-Russian industrial company will be established in Harbin with a capital of Rbls. 10,000,000, also to exploit Russia at a time when she is helpless on account of internal disorder. It is understood that before its establishment some of its prospective shareholders have already acquired the right from the Russians to build a tramway in Harbin. Other valuable rights belonging to the Russian people have likewise been given away to the Japanese by a few individual Russians for an unhappy mess of pottage.

The occupation of the Amur Province by Japanese troops, who were sent thither to fight imaginary Bolsheviks, has created a desire in the Japanese government to acquire the entire navigation rights of the Sungari river. A number of Japanese newspaper men purposely circulated a report a month ago to the effect that the Russian Amur Steamship Company would be sold to American interests. The news, as

calculated, aroused much opposition on the part of the Japanese in Manchuria. However, it later turned out that some Japanese interests have been planning to purchase the steamers of the Russian company so as to carry on shipping business in the Sungari river without competitors. Some prominent Chinese like Chow Tsz-chi, former Minister of Finance, and several wealthy merchants are doing their best to prevent the sale of Russian steamers to the Japanese by appealing to the original agreement signed with the Amur Steamship Company, which prohibits it.

Another rumor has just been circulated by the Japanese press stating that the military governor of Heilungkiang, General Pao Kuei-ching, who has been appointed director of the Eastern Manchuria railway, has been contemplating the borrowing of American money for the construction of a branch line. It states that a loan of G.$30,000,000 would be made for the purpose. In consequence of the rumor, the Japanese have been showing their opposition and indignation in unmistakeable terms. Little doubt remains that the news has been purposely manufactured with the object of stopping any intention of the Chinese to invite American co-operation, or any intention of the Americans to accept it.

All these are signs that Japan desires to keep even Siberia for her own colonization and prevent other Powers from entering into that region for legitimate business. Her own influence is, however, rapidly increasing there. Two months ago, one day's settlement in exchange on the Harbin market amounted to only Yen 50,000, but now it approximates Yen 2,000,000, or an increase of forty times. As roubles have continually been made to depreciate, more yen notes are being used than ever before. The Chinese merchants, who import goods from Japan, are obliged to buy yen for remittance to Osaka. Before long, Japan will have the control of the financial market in Siberia, and with the financial control, will be able to close the door against foreign trade and then start her process of empire-making. America has money and influence and technical knowledge and enough brains to stop this process of empire-making, which will eventually menace the world's peace.

Why not form a Chinese-Russian-American industrial company as proposed by the Chinese bankers in the immediate future to counterbalance Japan's destructive influence to some measure?

Peking, December 1, 1918.

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Future of Democracy in Japan

BY H. P. SHASTRI

NOW the war is over, and the Allies who had been fighting for justice have obtained a complete and historic victory. The cause of democracy has triumphed and force has gone to the background. Let us now calmly consider the future of democracy in Japan. One great characteristic of the Japanese nation is that whatever it once adopts it tries its best to adopt it successfully and effectively. In the seventh century Japan adopted Buddhism and she entered wholeheartedly into the career of the Indian religion. She made wonderful improvements on it and great men like Kobodaishii, Nichran, Sama, etc., enriched the literature with their wonderful contributions, so much so that to-day Japanese Buddhism represents the highest development of it. Only fifty years ago Japan adopted Western civilization and to-day she is so much Westernized that no other Asiatic country can compare with her. Only fifty years ago the practice of foreign medicine was quite unknown in Japan and to-day the original Japanese medical practice is totally absent. The diligent and far-sighted Japanese, working calmly and studiously, surprises the world in whatever he undertakes to do.

As to democracy, I have already held that the heart of Japan is spiritual and democratic, but somehow or other that spirit has not yet come to the surface of society. The household servants in the families of good Japanese

are treated so considerately that sometimes it is difficult to make out who is a servant and who a member of the family. The war has convinced the Japanese that democracy is necessary and I hope we will soon find it making wonderful improvements. The most important points to be remembered in this connection is that the institution of the Mikado is a holy institution and it has really done incalculable good to the country. What good and progress one sees in Japan is due to the personality of the great Meiji and his illustrious successor to the imperial throne. The Mikado is the very life and soul of the nation and he is the pivot on which hinges the whole machinery of its civilization. Those who wish to interfere with this holy institution are enemies of Japan and they can never promote the welfare of the country or the cause of democracy. Japan will become a democratic country through the Mikado. One word from him is enough to change the whole current of national thought and those who do not realise the significance of the Japanese Imperial Household know nothing about the psychology of the nation.

Japan has been greatly misunderstood and misrepresented in some cases. The tourist who goes to Japan cannot understand the spirit of the nation by mixing with Westernized Japanese only. Those who carry an unfavorable impression of the nation have not cared to understand it carefully. Let those who wish to study the nation first have some knowledge of the Japanese language, history, traditions and society. It is only by viewing the nation under the light of its peculiar civilization and social institutions that one can understand it.

We hear much about the imperialism of Japan. It is true to a certain extent. But why should Japan alone be blamed for being imperialistic? There are other nations too who have been equally or more imperialistic. In spite of what Japan has done for Korea, she is much adversely criticized, but nobody says a word about the manner in which Annam is governed. A comparison will show that Korea is much better under Japanese hands, though there is considerable room for improvement now that the Great War has ushered a new era into the method of administration, and democracy is the cry everywhere. In Japan too we find the Hara cabinet, which is much more democratic than any of the previous cabinets. The press is freer than before and the recent utterances of the Home Minister to the press association show that conditions are improving.

I have always maintained that to find fault with any one is not the way to improve him. I too find fault with Japan in a friendly spirit to stimulate the nation, but at the same time I am always alive to the virtues of the Japanese, many of which are quite rare in other countries.

In the "Legacy of Iyeyasu," we find many democratic expressions written at a time when democracy was almost unknown in other countries. "People are the pillars of state," says the first Tokugawa Shojun. Many of the stanzas of the Emperor Meiji breathe the spirit of pure democracy and His Majesty's life was a record of democratic actions throughout. It is proverbial in Japan that His Majesty the Emperor Mutsuheto is a highly democratic ruler and those who saw him heartily shaking hands with Captain Hardy, the American sailor, when he visited Japan, know this.

It is therefore clear that democracy has a bright future in Japan and in spite of the activities of some old-fashioned imperialists—and what country has not such an element?—the thoughts of Japan are progressive.

Much depends on the *musume* (the Japanese woman). She is naturally democratic and liberal and she is the mother of future Japan. She led the "rice riots," and if the truth of democracy is once brought home to her she will democratize Japanese society. It is a pity that she is so much misunderstood. Let us democratize her and Japan is sure to be one of the most progressive democracies in the world with the blessings of Tenno Heka.

President Wilson Discusses the Victory

PRESIDENT Wilson on December 2 addressed a joint session of the American Houses of Congress as follows:

"Gentlemen of the Congress: The year that has elapsed since last I appeared before you to fulfil my constitutional duty to give Congress information of the state of the union has been so crowded with great events, great processes and great results that I cannot hope to give you an adequate picture of its transactions or far-reaching changes which have been brought in the life of the nation and of the world. You have witnessed these things, as I know. It is too soon to assess them, and we who stand in the midst of them and are a part of them are less qualified than another generation will be to say what they mean or even what they have been. But there stand out facts which are unmistakeable and with which it is our duty to deal. To state them is to set the stage for legislative and executive action which must grow out of them, and which we have yet to shape and determine.

"A year ago we had sent 149,918 men overseas. Since then we have sent 1,990,913, an average of 162,942 each month, the number in fact rising in May last to 249,997, in June to 278,760 and in July to 309,182, continuing to reach similar figures in August and September—August 289,970; September 297,438.

"No such movement of troops ever took place before across 3,000 miles of sea, followed by adequate equipment and supplies carried safely through extraordinary dangers and attacks which were alike strange and infinitely difficult to guard against. In all this movement only 768 men were lost by enemy attacks, 630 of whom were upon an English transport sunk near the Orkney Islands.

"I need not tell you what lay back of this great movement. Back of it lay a supporting organization of the industries of the country and all its produc-

tive activities, more complete, more spirited and more thorough in methods and effective in results than any other great belligerent has ever been able to effect. We profited greatly by the example and experiences of the nations which already had been engaged for nearly three years in the exigent and exacting business, every resource, every proficiency, every efficiency taxed to the utmost. We were pupils. But we learned quickly and acted with promptness and readiness in cooperation that justify our great pride that we were able to serve the world with unparalleled energy and quick accomplishment.

"But it is not the physical scale of executive efficiency and preparation of supply and equipment and despatch that I wish to dwell upon, but the mettle and quality of the officers and men we sent over and the sailors who kept the sea and the spirit of the nation that stood behind them. No soldiers or sailors ever proved themselves more quickly ready for the test of battle or acquitted themselves with more splendid courage and achievement when put to the test. Those who played some part in directing the great progress by which the war was pushed irresistibly forward to final triumph may never forget all that delights our thoughts with the story of what our men did. There are the officers, who understood the exacting task they had undertaken and performed it with audacity, efficiency and unhesitating courage and imperishable distinction, from their chiefs, Pershing and Sims, down to the youngest lieutenant. And their men were worthy of them, such men as hardly need be commanded and go to their terrible adventure blithefully and with quickness and intelligence; those who know just what their strength will accomplish.

"I am proud to be a fellow-countryman of men of such stuff and valor. Those of us who stayed at home did our duty. The war could not be won or the gallant men who fought it given their opportunity to win it otherwise, but for many a long day we shall think ourselves 'Accurst that we were not there and hold our manhood cheap while any speaks that fought' with those at St. Mihiel or Chateau-Thierry.

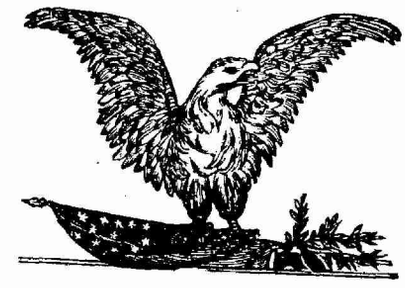
"What we all thank God for with deepest gratitude is that our men went in force into the line of battle just at the critical moment when the whole fate of the world seemed to hang in the balance, and threw their fresh strength into the ranks of freedom in time to turn the whole tide and sweep of the fateful struggle, turn it once for all so that thenceforth it was back, back, back for their enemies, always back, never again forward. After that it was only a scant four months before the Commanders of the Central Empires knew themselves beaten, and now their very Empires are in liquidation. And through it how fine the spirit of the nation was—what unity of purpose, what untiring zeal, what elevation of purpose ran through all its splendid display of strength; what untiring accomplishment.

"I have said that those of us who stayed at home to do the work of organization and supply will always wish we had been with the men whom we had sustained by our labor, but we can never be ashamed. It has been an inspired thing to be here in the midst of the fine men who had turned aside from every private interest of their own and devoted the whole of their training and capacity to tasks that supplied the sinew to the whole great undertaking.

"The patriotism, unselfishness, thoroughgoing devotion and distinguished capacity that marked their toilsome labors day after day, month after month, have made them fit mates and comrades of the men in the trenches and on the sea. And not men here in Washington only. They have but directed vast achievements. Throughout innumerable factories, upon innumerable farms, in the depths of coal, iron and copper mines, wherever the stuffs of industry were to be obtained and prepared, in the shipyards, on the railways, at the docks, on sea, in every labor that was needed to sustain the battlelines, men have vied with each other to do their part and do it well. They can look any man-at-arms in the face and say, We also strove to win and gave the best that was in us to make our fleets and armies sure of their triumph.

"And what shall we say of our women—of their intelligence and quickening in every task they touch, their capacity for organization and cooperation which gave their action discipline and enhanced the effectiveness of everything they attempted, their aptitude at tasks to which they had never before set their hand, their utter self-sacrifice alike in what they did and in what they gave? Their contribution has been great and the result beyond appraisal. They have added new luster to the annals of American womanhood. The least tribute we can pay them is to make them the equals of men in political rights as they have proved themselves their equals in every field of practical work they have entered, whether for themselves or for their country. These great days of completed achievement would be sadly marred were we to omit that act of justice. Besides the immense practical services they have rendered, the women of the country have been the moving spirits in the systematic economies by which our people voluntarily assisted to supply the suffering peoples of the world and the armies upon every front with food and everything else that we have that might serve the common cause. The details of such a story can never be fully written but we carry them at our hearts and thank God we can say we are kinsmen of such.

"And now we are sure of the great triumph for which every sacrifice was made. It has come, come in its completeness and, with the pride and inspiration of these days of achievement quick within us, we turn to the tasks of peace again—a peace secure against the violence of irresponsible monarchs and ambitious military coteries and made ready for a new order, for the new foundation of justice and fair dealing. We are about to give order and organization to this peace, not only for ourselves but for the other peoples of the world as well, as far as they will suffer us to serve them. It is international justice we seek, not domestic safety merely. Our thoughts have dwelt of late upon Europe, upon Asia, upon the Near and Far East and very little upon the acts of peace and accomodation that wait to be performed at our own doors.



NOTICE TO EXPORTERS

EXPORTERS are hereby notified that this Consulate-General is now advised that all import licenses issued by the War Trade Board, Washington, after October 1st, 1918, are no longer subject to expiration within ninety days, but will remain in force until the entire shipment is made or until revoked.

THOMAS SAMMONS,
American Consul-General.

Shanghai, November 30th, 1918.

"While we are adjusting our relations with the rest of the world is it not of capital importance that we should clear away all ground for misunderstanding with our immediate neighbors and give proof of the friendship we really feel? I hope the members of the Senate will permit me to speak once more of the unratified treaty of friendship and adjustment with the Republic of Colombia. I very earnestly urge upon them early favorable action upon that vital matter. I believe they all feel with me that the stage of affairs is now set for such action as will be not only just, but generous, and in the spirit of the new age upon which we have so happily entered.

"So far as our domestic affairs are concerned, the problem of our return to peace is a problem of economic and industrial readjustment. That problem is less serious for us than it may turn out to be for nations which have suffered disarrangements and losses of war longer than we. Our people, moreover, do not wait to be coached or led. They know their own business, are quick and resourceful at every readjustment, definite in purpose and self-reliant in action. Any leading strings we might seek to put them in would speedily become hopelessly tangled, because they would pay no attention to them and go their own way. All that we can do as their legislative and executive servants is to mediate in the process of change here, there and elsewhere as we may. I have heard much counsel as to plans that should be formed and personally conducted to a happy consummation, but from no quarter have I seen any general scheme of reconstruction emerge, which I thought it likely we could force our spirited business men and self-reliant laborers to accept with due pliancy and obedience.

"While the war lasted we set up many agencies by which to direct the industries of the country in services it was necessary for them to render by which to make sure of abundant supply of materials needed, by which to check undertakings that could for the first time be dispensed with, and to stimulate those that were most serviceable in war, by which to gain for the purchasing departments of the government a certain control over prices of essential articles and materials, by which to restrain trade with alien enemies, to make the most of available shipping and to systematize financial transactions, both public and private, so that there would be no unnecessary conflict or confusion, by which, in short, to put every material energy of the country in harness to draw, load and make of us one team in the accomplishment of a great task.

"But the moment we knew the armistice to have been signed we took the harness off. Raw materials upon which the government had kept its hands for fear they should not be enough for industries that supplied the armies have been released and put into the general market again. Great industrial plants whose output and machinery had been taken over for uses of the government have been set free to return to uses to which they were put before the war. It has not been possible to remove so readily or so quickly the control of foodstuffs and shipping, because the world has still to be fed from our granaries and the ships are still needed to send supplies to our men oversea and to bring the men back as fast as the disturbed conditions on the other side of the water permit; but even these restraints are being relaxed as much as possible, and more as the weeks go by.

"Never before have there been agencies in existence in this country which knew so much of the field of supply of labor and of industry as the War Industries Board, the War Trade Board, the Labor Department, the Food Administration and the Fuel Administration have known since their labor became thoroughly systematized; and they have not been isolated agencies; they have been directed by men who represented the permanent departments of the government and so have been the centers of unified and cooperative action. It has been the policy of the executive, therefore, since the armistice was assured (which is in effect a complete submission of the enemy) to put the knowledge of these bodies at the disposition of the business men of the country and to offer their intelligent mediation at every point and in every matter where it was desired.

"It is surprising how fast the process of a return to a peace footing has moved in the three weeks since the fighting stopped. It promises to outrun any inquiry that may be instituted and any aid that may be offered. It will not be easy to direct it any better than it will direct itself. The American business man is of a quick initiative. The ordinary and normal processes of private initiative will not, however, provide immediate employment for all of the men of our returning armies. Those who are of trained capacity, those who are skilled workmen, those who have acquired familiarity with established business, those who are ready and willing to go to their farms, all those whose attitudes are known or will be sought out by employers will find no difficulty, it is safe to say, in finding place and employment. But there will be others who will be at a loss where to gain a livelihood unless pains are taken to guide them and put them in the way of work. There will be a large flowing residium of labor which should not be left wholly to shift for itself.

"It seems to me important, therefore, that the development of public works of every sort should be promptly resumed in order that opportunities should be created for unskilled labor in particular and that plans should be made for such developments of our unused lands and our natural resources as we have hitherto lacked stimulation to undertake.

"I particularly direct your attention to the very practical plans which the Secretary of the Interior has developed in his annual report and before your committees for the reclamation of the arid swamp and cutover lands which might, if the States were willing and able to cooperate, redeem some three hundred million acres of land for cultivation. There are said to be 15 or 20 million acres of land in the west at present arid, for whose reclamation water is available if properly conserved. There are about 230 million acres from which the forests have been cut which have never yet been cleared for the plough and which lie waste and desolate. These lie scattered all over the Union. And there are nearly eight million acres of land that lie under swamps or subject to periodical overflow or too wet for anything but grazing, which it is perfectly feasible to drain and protect and redeem. Congress can at once direct thousands of the returning soldiers to the reclamation of the arid lands which it has already undertaken if it will but enlarge the plans and appropriations which it has entrusted to the Department of Interior. It is possible in dealing with our unused land to effect a great rural and agricultural development which will afford the best sort of opportunity to men who want to help themselves; and the Secretary of the Interior has thought the possible methods out in a way which is worthy of your most friendly attention.

"I have spoken of the control which must yet for a while, perhaps for a long while, be exercised over shipping because of the priority of service to which our forces overseas are entitled and which should also be accorded the shipments which are to save the recently liberated peoples from starva-

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tion and many devastated regions from permanent ruin.

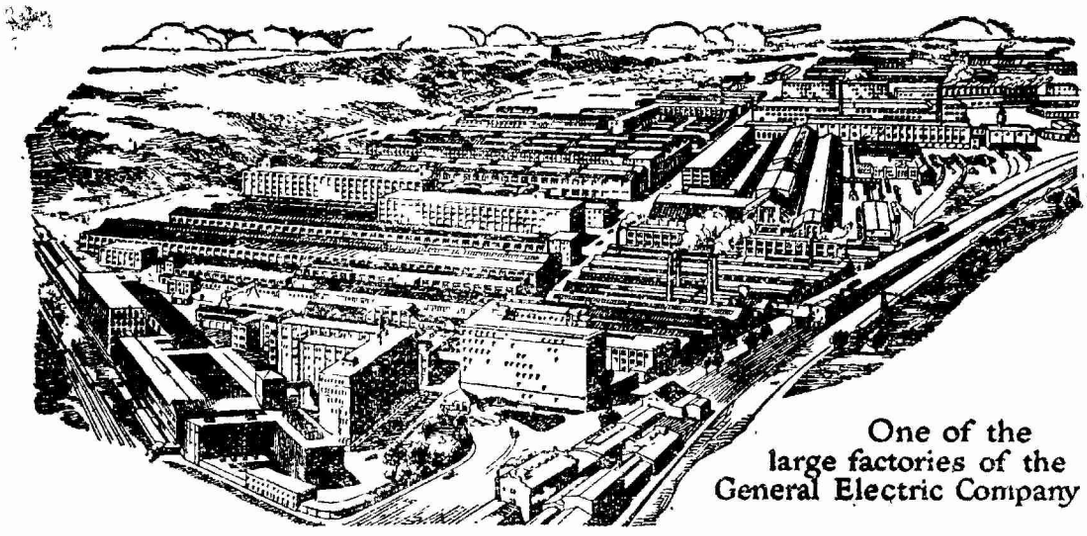
"May I not say a special word about the needs of Belgium and Northern France? No sums of money paid by way of indemnity will serve of themselves to save them from hopeless disadvantage for years to come. Something more must be done than merely to find the money. If they had money and raw material in abundance to-morrow they could not resume their place in the industry of the world to-morrow—the very important place they held before the flame of war swept across them. Many of their factories are razed to the ground. Much of their machinery is destroyed or has been taken away. Their people are scattered and many of their best workmen are dead. Their markets will be taken by others if they are not in some special way assisted to rebuild their lost instruments of manufacture. They should not be left to the vicissitudes of the sharp competition for materials and for industrial facilities which is now to set in. I hope, therefore, that the Congress will not be unwilling, if it should become necessary, to grant to some such agency as the War Trade Board the right to establish priorities of export and supply for the benefit of these people whom we have been so happy to assist in saving from the German terror and whom we must not now thoughtlessly leave to shift for themselves in a pitiless competitive market.

"For the steadying and facilitation of our domestic business readjustment nothing is more important than the immediate determination of the taxes that are to be levied for 1918, 1919 and 1920. As much of the burden of taxation must be lifted from business as sound methods of financing the government will permit, and those who conduct the great esssential industries of the country must be told as exactly as possible what obligations to the government they will be expected to meet in the years immediately ahead of them. It will be of serious consequence to the country to delay the removing of all uncertainties in this matter a single day longer than the right processes of debate justify. It is idle to talk of successful and confident business reconstruction before these uncertainties are resolved. If the war had continued it would have been necessary to raise at least eight billion dollars by taxation, payable in the year 1919; but the war has ended, and I agree with the Secretary of the Treasury that it will be safe to reduce the amount to six billions. An immediate rapid decline in the expenses of the government is not to be looked for. Contracts made for war supplies will indeed be rapidly cancelled and liquidated but their immediate liquidation will make heavy drains on the Treasury for the months just ahead of us.

"The maintenance of our forces on the other side of the sea is still necessary. A considerable proportion of these forces must remain in Europe during the period of occupation and those which are brought home will be transported and demobilized at heavy expense for months to come. The interest on our war debt must of course be paid and provision made for the retirement of the obligations of the government which represent it. But these demands will of course fall much below what a continuation of military operations would have entailed and six billions should suffice to supply a sound foundation for the financial operations of the year. I entirely concur with the Secretary of the Treasury in recommending that the two billions needed in addition to the four billions provided by existing law be obtained from the profits which have accrued and shall accrue from war contracts and distinctively war business, but that these taxes be confined to the war profits accruing in 1918 or in 1919 from business originating in war contracts. I urge your acceptance of his recommendation that provision be made now, not subsequently, and that the taxes to be paid in 1920 should be reduced from six to four billions. Any arrangements less definite than these would add elements of doubt and confusion to the critical period of industrial readjustment through which the country must now immediately pass and which no true friend of the nation's essential business interests can afford to be responsible for creating or prolonging. Clearly determined conditions, clearly and simply charted, are indispensable to the economic revival and rapid industrial development which may confidently be expected if we act now and sweep all interrogation points away.

"I take it for granted that the Congress will carry out the naval program which was undertaken before we entered the war. The Secretary of the Navy has submitted to your Committees for authorization that part of the program which covers the building plans of the next three years. These plans have been prepared along the lines and in accordance with the policy which the Congress established, not under the exceptional conditions of the war, but with the intention of adhering to a definite method of development of the Navy. I earnestly recommend the uninterrupted pursuit of the policy. It would clearly be unwise for us to attempt to adjust our program to a future world policy as yet undermined.

"The question which causes me the greatest concern is the question of the policy to be adopted towards the railroads. I frankly turn to you for counsel upon it. I have no confident judgment of my own. I do not see how any thoughtful man can have who knows anything of the complexity of the problem. It is a problem that must be studied, studied immediately and studied without bias or prejudice. Nothing



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can be granted by becoming partisans of any particular plan of settlement."

The President here summarized the necessity under war conditions for the government assuming control of privately owned railroads. In this connexion President Wilson said:

"We may hope, I believe, for the formal conclusion of the war by treaty by the time spring has come."

In conclusion President Wilson said:

"I welcome this occasion to announce to Congress my purpose to join in Paris the representatives of the governments with which we have been associated in the war against the Central Empires for the purpose of discussing with them the main features of the Treaty of Peace. I realize the great inconveniences that will attend my leaving the country, particularly at this time, but the conclusion that it was my paramount duty to go has been forced upon me by considerations which I hope will seem as conclusive to you as they have seemed to me. The Allied governments have accepted the basis of peace which I outlined to Congress on January 8 last, as the Central Empires also have, and they very reasonably desire my personal counsel in their interpretation and application, and it is highly desirable that I should give it in order that the sincere desire of our government to contribute without selfish purpose of any kind to settlements that will be of common benefit to all the nations concerned may be made fully manifest. The peace settlements which are now to be agreed upon are of transcendent importance both to us and to the rest of the world and I know of no business or interest which should take precedence over them. The gallant men of our armed forces on land and sea have consciously fought for ideals which they knew to be the ideals of their country; I have sought to express these ideals; they have accepted my statements of them as the substance of their own thought and purpose as the associated governments have accepted them; I owe it to them to see to it, so far as in me lies, that no false or mistaken interpretation is put upon them and no possible effort omitted to realize them. It is now my duty to play my full part in making good what they offered their life's blood to obtain. I can think of no call to service which could transcend this. I shall be in close touch with you and affairs on this side of the water and you will know all that I do.

"At my request the French and English governments have absolutely removed the censorship on cable news which until a fortnight ago they had maintained, and there is now no censorship whatever exercised at this end except upon attempted trade communications with enemy countries. It has been necessary to keep an open wire constantly available between Paris and the Department of State and another between France and the Department of War. In order that this might be done with the least possible interference with other users of the cables I have temporarily taken over control of both cables in order that they may be used as a single system. I did so at the advice of the most experienced cable officials and I hope the results will justify my hope that the news of the next few months may pass with the utmost freedom and with the least possible delay from each side of the sea to the other.

"May I not hope, Gentlemen of the Congress, that in the delicate tasks I shall have to perform on the other side of the sea in my efforts truly and faithfully to interpret the principles and purposes of the country we love, I may have the encouragement and added strength of your united support? I realize the magnitude and difficulty of the duty I am undertaking and I am perfectly aware of its grave responsibilities. I am the servant of the nation. I can have no private thought or purpose of my own in performing such an errand. I go to give the best that is in me to the common settlements which I must now assist in arriving in conference with the other working heads of the Associated governments. I shall count upon your friendly countenance and encouragement. I shall not be inaccessible. Cables and wireless will render me available for any counsel or service you may desire of me and I shall be happy in the thought that I am constantly in touch with the weighty matters of domestic policy with which we shall have to deal. I shall make my absence as brief as possible and shall hope to return with the happy assurance that it has been possible to translate into action the great ideals for which America has striven."

Notes from Peking

It is reported here from Tokio that Mr. Obata is leaving Japan for China on December 1.

The report that ex-President Li Yuan-hung intends to make a private trip to Europe is denied.

Dr. A. P. Peck, American Consul-General at Tsingtao, arrived in Peking yesterday to stay here for a short time in connection with his consular duties.

Mr. Goffe, who is to act as British Consul-General in Tientsin during the absence of Mr. Ker, is expected on the *Fengtien*, which left Shanghai on Tuesday.

Willing Spencer, First Secretary of the American legation at Peking, who was transferred to Tokio in June of this year, has returned to Peking to take over his duties here.

Lu Tseng-hsiang has received from the President his credentials as plenipotentiary to the peace conference. He is leaving Peking this evening for Japan on his way to Europe.

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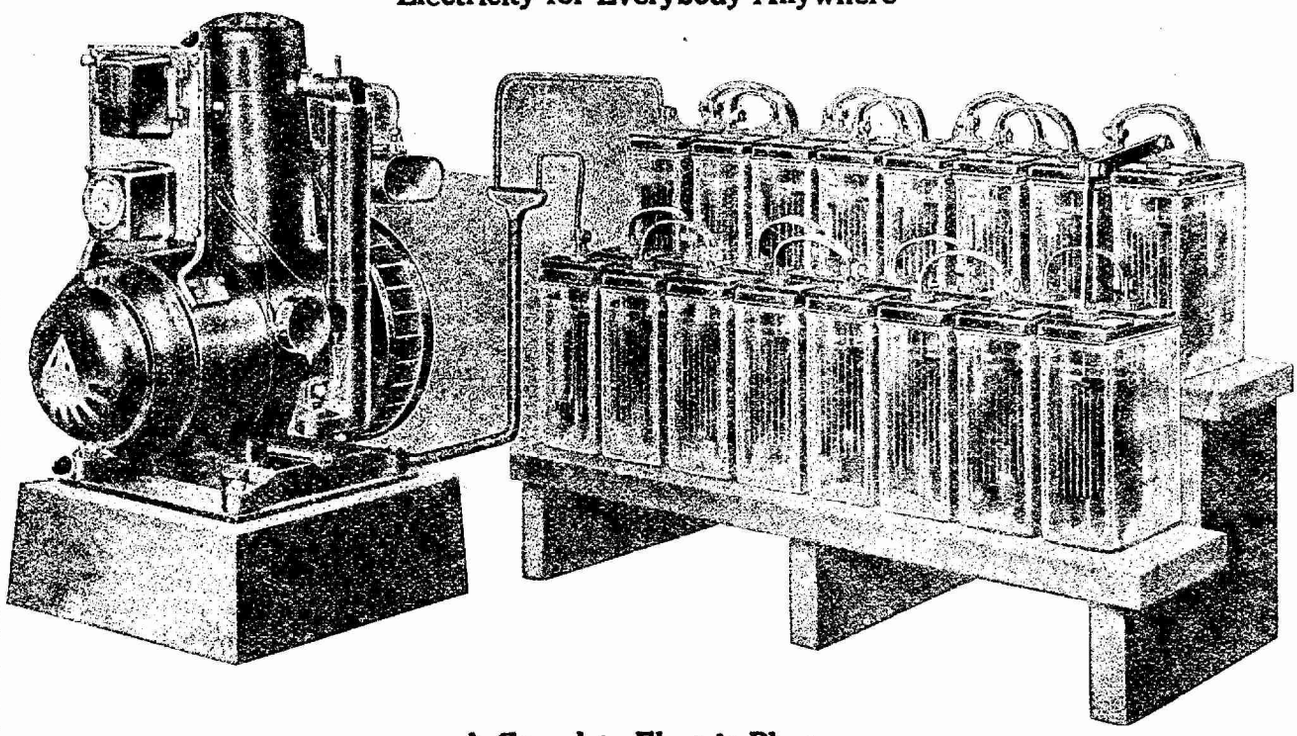

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Captain James W. Webb, United States Marine Corps, has been detached from the American Legation Guard and left on Wednesday for Japan to join the U. S. S. *Brooklyn* at Yokohama.

Roy Chapman Andrews, representative of the American Museum of Natural History, has returned to Peking after an extended trip through Shantung, Tsingtao and the leased territory.

The engagement is announced of Lieutenant H. S. Bear, United States Navy, who is attached to the American Legation Guard, to Miss Laura Willoughby, daugher of Dr. W. W. Willoughby.

Major W. S. Drysdale, Military Attache to the American legation, has received unofficial advice to the effect that he has been promoted to the rank of Lieutenant-Colonel as from the end of August 1918.

Former President Feng Kuo-chang has still refused to come to Peking, although President Hsu has repeatedly requested him to so. It is understood that he will come after the departure of the military governors.

Eugene M. Lamb, Assistant to the American Naval Attache, who was married in Shanghai early last week to Miss Leila B. Valpey, former clerk at the American legation here, has returned to Peking after a short honeymoon.

Dr. P. C. Chang, Acting Principal of the Nankai High School, left Tientsin for Japan on November 28 to meet Yen Fan-sun and his brother, Chang Pao-ling, who are returning from America, where they took post-graduate courses.

The Civil Governor entertained, at 11 a. m. on November 28 in his Yamen, the members of the Y. M. C. A. and the Y. W. C. A. and other ladies and gentlemen who assisted him in making arrangements for the entertainment to the Allied troops.

O. M. Shuman, of the National Bank of the Philippines, has been in Peking for a few days on a business and sight-seeing trip. He is leaving for Korea this week on a hunting expedition. Miss Laura L. Shuman, his daughter, will accompany him.

The Acting Prime Minister has decided to build a monument in the Central Park in memory of the Allied Victory. The stones will be taken from the Kettler Monument, which was recently torn down, first by the Allied soldiers and then by Chinese masons.

Kung Hsin-kan, former Vice-Minister of Finance and newly appointed Civil Governor of Anhwei, declines to proceed to Anhui to take up his new post, for he desires the portfolio of Finance more than anything else.

Liang Chi-chiao, former Minister of Finance, who was responsible for China's declaration of war against Germany, has consented to proceed to America and Europe for the study of Western finances and to privately assist the Chinese peace delegation to Europe.

In view of his long experience in police affairs at Tientsin, General Yang I-te, former Chief of Tientsin Police, who was dismissed because of his alleged pro-German attitude, will be transferred to Mukden for services under the Inspecting Commissioner of Manchuria.

A number of members of parliament are impeaching the Minister of the Interior and the Acting Prime Minister for his dismissal of General Yang I-te, pointing out in their bill that General Yang has been merely used as a scapegoat by higher authorities of the Ministry of the Interior.

Several thousand Allied and Chinese troops enjoyed the hospitality of Tsao Jui, Civil Governor of Chihli, on Tuesday at the Public Gardens at Hopei, Tientsin. All kinds of refreshments were prepared for them. The occasion was the celebration of the Allied Victory.

Invitations have been issued for the wedding of Miss M. Wetterlundh and W. R. Giles, Peking Correspondent of the *Peking & Tientsin Times* and also of the *Chicago Daily News*, which is to take place in Peking on Thursday, December 12, at the British Legation Church.

The Harvard and Yale Clubs of Peking have decided to invite all the Princeton men in the city to their forthcoming smoker, which will be held early in December. As there are 35 Harvard men, 35 Yale men and some 20 Princeton men in and near the Capital, a large and successful gathering is anticipated.

J. V. A. MacMurray, who left his post as Counsellor of the American Embassy at Tokio to become Charge d'Affaires *ad interim* of the American legation at Peking during the absence of Dr. Reinsch, has left Peking for Tokio. He was accompanied by his family, including his mother and sister, who have spent a few months in China with him.

The Grand Celebration of the Allied Victory took place on November 28 in Peking. There was a firing of 108 guns at 6 a. m. Foreign and Chinese troops entered Tien-an-men at 9 a. m. and lined up at the place assigned. The President and the foreign Ministers reviewed the foreign and Chinese troops at Tien-an-men, after which refreshments were served.

His Excellency Boppe, the French Minister, was awarded the 1st class Tashou Paokwang Chiaho Decoration on the evening of November 26. The other foreign Ministers who received the same class of decoration were the Danish, theRussian, the Belgian, the Spanish, the Portuguese and the Brazilian Ministers to China.

The usual Thanksgiving Service was held in the Peking Y. M. C. A. Auditorium on Thursday afternoon. Dr. Paul S. Reinsch, the American Minister, addressed the meeting and interpreted the message and Thanksgiving Proclamation of President Wilson, particularly as to its application to the Orient. All the Allied people in Peking were invited to attend.

Arthur E. Dowler, senior partner of the New York firm of Dowler, Forbes & Company, which is closely connected with the North China firm of William Forbes & Company, left Peking after a visit of several days early this week. He is going to Shanghai and the United States. Mr. Dowler's visit to China was made with a view to investigating the possibilities of post-war trade in the Far East.

The following private telegram received from Washington by a Chinese gentlemen dated November 20, has been handed over to the press for publication: "Information from authoritative sources states that the Allied Powers welcome the inclusion of the Chinese delegation to the peace conference in Europe and that the hope is expressed that through the addition of the Chinese and Japanese delegates to the conference, all affairs concerning the Far East can be solved permanently and definitely so as to prevent another terrible war of the Powers over the Chinese question in future."

Paul J. Rainey, whose reputation as a big game hunter in Africa is known to all lovers of sport throughout the world, is soon to leave Peking for South China, India and Africa. He originally planned

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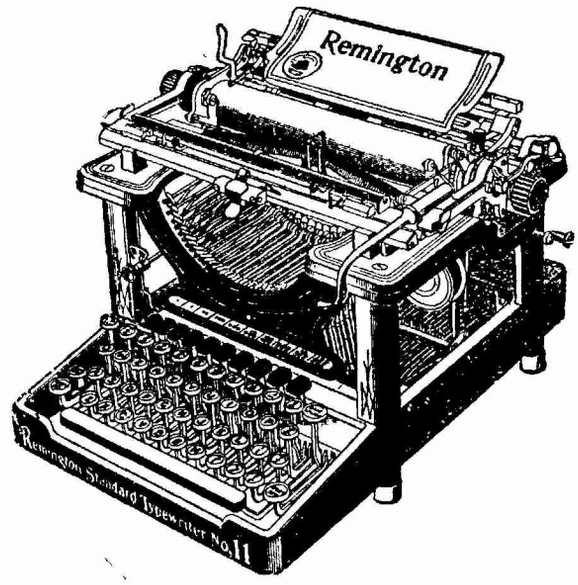

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to return to Russia to act as official photographer to the Czecho-Slav army, but the probable change in conditions in Russia due to the termination of the war has caused him to change his plans and go to the south for big game hunting. He will be accompanied by Edmond Heller, the well known zoologist, who was with him in Africa.

An authoritative statement just issued announces that "a loan of 10 million yen was contracted on October 25 between the Ministry of Communications and the Sino-Japanese Industrial Company. The loan is nothing but a renewal and extension for the term of a further three years of an already existing loan of 3 million yen. It is agreed that the present loan should not be made use of but for defraying expenses necessary for the extension of a Chinese telephone system, and in order to prevent the increased amount of the proceeds from being expended for any political purpose, it is provided that the sum of 7 million yen should now be deposited at the Tokio office of the company, so that any portion thereof may be surrendered to the Chinese government on the latter's demand whenever it is proved to be destined for the avowed purpose of the loan. The rate of interest of the new loan is 7 per cent per annum (the former loan 84 per cent), and the net receipt of the Chinese government is 97.7 per cent (the former loan 95 per cent)."

Peking, November 30, 1918.

Who's Who in China

Hsiung Hsi-ling, Director-General of Flood Relief and Conservancy

Hsiung Hsi-ling, Director-General of Flood Relief and Conservancy, and the Grand Canal Improvement Board, and President of the Commission for the Improvement of the River System of Chihli, is one of the most active officials trying to bring about China's domestic peace. He has declined the President's offer to make him Prime Minister again, as he prefers to head the peace movement, which he considers as of the greatest importance at the present. President Hsu then offered to make Mr. Hsiung one of the Northern delegates to the Chinese peace conference, and this offer has also been declined. Mr. Hsiung believes that in case the representatives from North and South China should fail to arrive at an understanding, he can help remove differences if he were not one of them.

Mr. Hsiung is fifty years of age, and was born in Hunan. Hs was a metropolitan graduate of 1894, and a prominent Hanlin scholar. He was an intimate friend of the reformer Kang Yu-wei, and after the latter's downfall, he was arrested, but promptly released.

In 1905 Mr. Hsiung accompanied Tuan Fang on his foreign mission. On that occasion, he visited America and Europe. Upon his return to China, he submitted to the Throne a report on the constitutional governments abroad.

Mr. Hsiung held posts in the Board of Agriculture, Industry and Commerce of Kiangsu and Fengtien. He was a principal assistant of Chao Erh-hsun when the latter was Viceroy of Manchuria. In 1910 he was made Acting Commissioner of Foreign Affairs in Hupeh. At the time of the Wuchang outbreak, Mr. Hsiung was Finance Commissioner at Mukden. Soon afterwards he went south and joined the republicans. Later he became Chairman of the Republican Committee in Hunan.

Upon the establishment of the Republic, Mr. Hsiung was appointed Minister of Finance in the first republican cabinet. He was responsible for the conduct of the loan negotiations with the International Banking Group for the first reorganization loan from the time of his arrival at Peking until he resigned in June, 1912, after Tang Shao-yi gave up the premiership. Mr. Hsiung, however, continued to be employed by the government in the capacity of chief of a commission for the negotiation of foreign loans. It was Mr. Hsiung who was mainly responsible for negotiating the Crisp Loan.

Subsequently, Mr. Hsiung was appointed Lieutenant-General of Jehol. The appointment was interesting in view of the fact that he had never held a military position before. He was appointed Prime Minister on July 31, 1913. On September 11 he was given the concurrent post of Minister of Finance. A few months later, he resigned both the premiership and the office of the Minister of Finance. From 1914 to 1916 Mr. Hsiung was Director-General of the National Oil Administration, which was formed to undertake the development of petroleum resources in China together with the Standard Oil Company of New York. As the expedition to Shensi and Shansi failed to discover oil of a commercial quantity the Administration was dissolved in December of 1916.

In the winter of 1917 Mr. Hsiung was appointed Director-General of Flood Relief and Conservancy when a big flood inundated part of Tientsin. He was mainly responsible for the formation of the Commission for the Improvement of the River System of Chihli, of which he was made president. Mr. Hsiung signed the agreement with the American International Corporation for a $6,000,000 loan for the improvement of the Grand Canal. He is also Director-General of the Grand Canal Improvement Board.

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Week's News Summary

THE ARMISTICE

November 26. The highest legal authorities in Great Britain advise the government that the Allied governments are entitled to demand the surrender of the ex-Kaiser.

November 27. In reply to a telegram from General d'Esperey, Commander-in-chief of the Serbian army, demanding the disarming and internment of his army, according to the terms of the armistice, General Mackensen claims that the terms of the German armistice are applicable to him.

November 28. An official despatch from Vienna states that the Austrian government intends to bring to trial all persons responsible for the war, including ex-Foreign Minister Count Berchtold, Count Czernin, many Ambassadors and Ministers and War Office functionaries, also ex-Emperor Karl, Grand Dukes Friedrich, Eugen, Peter and Ferdinand, and several Generals, including Arz, Hoetzendorff and Boroevic.

November 29. Lloyd George, the British Premier, in a speech at Newcastle demands that the submarine pirates be punished.

November 30. In addition to President Wilson the following comprise the American delegation to the Peace Conference: Robert Lansing, Colonel House, Henry White and General Bliss.

December 1. Von Mackensen's army, with a total strength of about 70,000 men, is interned in Hungary.——The first consignment of the 150,000 German railway trucks arrives at the frontier, some of them in bad condition.——Marshal Foch and the French Premier, M. Clemenceau, arrive in London and are accorded an enthusiastic reception.

December 2. The Belgian Industrial Committee estimates that the German military and civil damage during the occupation of Belgium totals Frs. 6,560,000,000.——The German government forbids the ex-Kaiser and ex-Kaiserin to return to Germany.

CHINA

November 28. Representatives of the Canton (China) government file at Washington, D. C., with Senator Hitchcock the claims of the Southern government of China for recognition as a belligerent.

December 1. In a White Book issued by the Chinese government a history is given of how Germany coerced China and how the Netherlands government was made use of for their (the Germans) own purpose.

December 3. A Japanese Foreign Office *communique* states that it was at its suggestion that the governments of France, Great Britain, Italy and the United States (together with Japan) made a joint representation to the leaders of both contending factions in China with a view to encouraging movements for the speedy solution of their differences.

JAPAN

December 3. The Foreign Office at Tokio issues a *communique* announcing a common policy with the Allies with reference to loans to China; it is stated that the Japanese government has decided to "withhold such financial assistance to China as is likely in their opinion to add to the complications of her internal situation."

GENERAL

November 26. It is announced at Washington that the American naval estimate for 1920 will be reduced by more than half, but there will be no reduction in the estimate for the 3-year building program previously announced.——Announcement is made at Washington that exclusive of prisoners America's total losses in the war were 126,723; of this 28,363 were killed outright and 12,110 died of wounds.

November 27. The election campaign in Great Britain is characterized by great intensity of feeling; the Sinn Fein leader De Valera is nominated for 4 constituencies; women are taking a prominent part, among them Miss Christobel Pankhurst, who is contesting Southwick (Birmingham), and Mrs. Hope, who is opposing Mr. Asquith in East Fife.

November 28. The International Mercantile Marine Corporation accepts the offer of the United States government for the s. s. *Olympic* and other vessels flying the British flag; this offer was the same as had previously been offered by a British syndicate but the U. S. government had refused to approve the transfer.

December 1. Bavarian Grand Headquarters gives particulars of the long-range guns which bombarded

Paris several months ago; they were constructed of naval guns, the projectiles reached the height of about 20 miles, the guns being moved on rails and mounted on cranes.

December 2. The U. S. Navy's newest type of seaplane, the largest in the world, breaks all records for number of passengers by making a flight with 50 men.

Men and Events

The Christmas number of *Harvey's Annual*, a publication of the *Shanghai Times*, Shanghai, has appeared and contains many interesting stories and illustrations.

According to news received here, the International Banking Corporation of Peking has advanced $600,000 for the expenses of China's peace delegation to Europe.

A meeting of the North China Branch of the Royal Asiatic Society was held in the Lecture Hall, 5 Museum Road, on Thursday, December 5. A lecture was given by Dr. W. L. Hall on "Touches of Life in China."

It is reported that the Pacific Mail s. s. *Venezuela*, commandeered by the United States government a short time ago, is scheduled to leave Shanghai on January 3 for San Francisco and will take cargo and passengers from this port.

The Dill-Crosett Co., Inc., an important American import and export house, with offices in San Francisco, New York, Los Angeles, Seattle, Chicago, Vladivostock and Kobe, is planning to establish an office in Shanghai in the near future.

Francis V. Reilly, of Manila, accompanied by other representatives of the Philippine National Bank, is in Shanghai this week making plans for the establishment of a branch in Shanghai. Other representatives of the bank have gone to Vladivostock for the same purpose.

O. R. Morse, of the Youroveta Home and Foreign Trade Corporation, a large Russian import and export firm which recently has been incorporated in the United States and has moved its head office to New York City, expects to depart for New York on the s. s. *Columbia* December 7.

The American Song Service will hold an informal social on Thursday evening, December 12, at the Masonic Hall, 30 The Bund, at 8.30 o'clock. All members of the service and their friends are invited to attend. An admission fee of $1 will be charged to defray the costs of the entertainment.

Paul J. Rainey, who accompanied Theodore Roosevelt on his African hunting trips a few years ago, and who has gained world renown as a photographer of wild animals, is visiting in Shanghai. He has been in Russia for several months and is now on his way to the United States.

The Iltis Monument, erected upon the Bund foreshore in memory of German sailors, was pulled down on Monday morning, December 2, by a party of 30 or 40 French soldiers and sailors. The monument was raised again by the Municipal Council workmen, who transported it to the stone depot on Soochow Road.

A despatch from Kobe, Japan, last week stated that 165 persons have been found guilty for participating in and inciting the recent "rice riots" in Japan last summer, and now await sentence. More than 600 arrests were made, but all but 165 were exonerated in the trials. Damages on buildings and houses in Kobe during the riots amounted to more than Yen 3,000,000.

Dr. James A. MacDonald, editor of the *Toronto Globe*, who has been visiting in China, Korea and Manchuria, returned to Tokio last week. Dr. MacDonald was accompanied by Mrs. MacDonald, and Miss Jane MacDonald, who will remain in Tokio after Dr. and Mrs. MacDonald depart for America on December 13.

Bishop W. F. McMurry, who has just been appointed Bishop for China of the Methodist Episcopal Church (South), with his residence in Shanghai, will address the American Song Service on Sunday, December 6, at the Palace Hotel, Shanghai, at 5 p. m. Bishop McMurry before coming to China was at the head of the Church Extension Society of his demonstration. There will be a program of special music.

In appreciation of the support and co-operation given to the Zionist Movement in China during this year, the local Zionist Association has resolved to inscribe the name of Judge Charles S. Lobingier, of the United States Court for China, in the Golden Book of the Jewish National Fund. Inscription in this volume, which is to be one of the permanent records of the Jewish National Homeland in Palestine, and will be on exhibition in a public building in Jerusalem.

A lecture on Christian Science was given by Bliss Knapp, C. S. B., a member of the Mother Church of Boston, at the Lyceum Theater on Tuesday, December 3. John B. Sawyer, American Vice-Consul, introduced the speaker and stated that Mr. Bliss had come to Shanghai at the invitation of the Christian Science Society and was an authorized lecturer who was doing much to correct popular misconceptions regarding Christian Science.

Yasujiro Ishikawa, editor of Yurudzo Cho, Tokio newspaper, was quoted as follows in one of the recent issues of a New York newspaper: "In his newspaper, Mr. Ishikawa has for years advocated full and equal suffrage for men and women. He expressed the hope that equal suffrage soon will be attained. Mr. Ishikawa is a member of the Congregational Church and said that Christianity is taking a firm hold in Japan. Absolute freedom of religious views are allowed in Japan, he said." Mr. Ishikawa is now visiting in New York.

Chu Pao-san, chairman of the Chinese General Chamber of Commerce, this week resigned as auditor of the Stock & Produce Exchange, a Japanese enterprise recently established in this city. In a statement issued following his resignation, Mr. Chu said that he had other important business to attend to and that he performed no important service for the exchange. Since his appointment to the position as auditor of the exchange he has been severely criticized by important Chinese business interests for lending his name to the Japanese organization.

Vice-Admiral K. K. Lang, of the Chinese Navy, gave a dinner in commemoration of the recent Allied Victory at the Astor House Hotel, Shanghai, on Monday, December 1. The ballroom of the hotel was decorated with flags of the Allied nations, Chinese lanterns and colored electric lights. The guests included

those of the Allied Consuls, Judges of the Courts for China, the Senior British Naval Officer, of other Allied Navies, Chairman and Members of the Municipal Council, the Taoyin of Shanghai and other Chinese officials, and the Chairman of the Chinese General Chamber of Commerce.

The REVIEW'S correspondent at Soochow writes as follows regarding the celebration of the Allied victory in that city: The celebration opened with a parade of more than 3,000 students of the government and mission schools. The officials gave an elaborate reception and the Chamber of Commerce gave a formal luncheon. It is said to have been the first time in the history of the city that the native banks ever closed for a holiday. On Saturday evening representatives of various organizations to the number of about 6,000 held a mammoth lantern parade. There is a splendid feeling here toward the Allies, and especially America.

Six hundred Serbian refugees, including men, women and children, arrived in Shanghai on a transport from Vladivostock on December 4. The refugees were badly in need of clothing and many garments have been sent by various organizations to the French Municipal building, where Madame Wilden, wife of the French Consul-General, and Mrs. Ayscough, treasurer of the Allied War Relief, were in charge. The refugees have experienced many hardships. The ship is planning to depart this week and it will be more than two months before it reaches the home land and the people will be forced to spend their Christmas on board the boat.

The Boy Scouts' Association of China held its seventh annual meeting on Friday, November 29, at the World's Chinese Students' Federation. In the absence of C. C. Nieh, president of the Association, Y. C. Tong presided. The following officers were elected: president of the Association, Y. C. Tong; vice-presidents, Dr. F. L. Hawks Pott, E. C. Pearce, Ede Lan-ching, Shen Pao-chang and M. Y. Chung; Dr. Y. Y. Tsu, chairman of the executive committee; S. C. Chu, treasurer; P. K. Chu and K. F. Chang as secretaries; and Professor J. R. Norton was elected secretary of the National Committee. K. F. Chang, the assistant secretary, reported that there were 18 troops, consisting of 622 scouts and 38 officers.

At the American School on Friday, November 29, Judge C. S. Lobingier presented a number of the pupils, who had been selected by the school at large for that honor, with certificates of membership in the American Flag House and Betsey Ross Memorial Association, which as Judge Lobingier explained in his remarks to the school, was organized for the purpose of purchasing and preserving the premises now known as 239 Arch St., Philadelphia, where the first legally authorized American flag was made by Betsey Ross, the young Quaker widow, under the supervision of General Washington. Judge Lobingier visited the place in September 1917, and became so impressed with the opportunities for patriotic education which it and the association offered that he took out memberships for about twenty young Americans, mostly in China, leaving it mainly to the American School to name the recipients. The certificates arrived during the school vacation and it was not until last week that an opportunity suitable for all concerned was found for presenting them.

07-030

Annual Meeting of Far Eastern American Bar Association

The fifth annual meeting of the Association was called to order at 5.30 p. m. on Monday, December 2, in the United States Court Room with nearly all of the resident local members present and the president, Judge Lobingier, in the chair. The minutes of the last annual meeting were read and approved and various communications from the National Association were presented. Applications having been received from the following gentlemen they were elected to active membership:

A. D. Gibbs, Manila;
E. A. Perkins, Manila;
Nelson E. Lurton, Shanghai.

Crawford M. Bishop, who was one of the early members of the Association and who has recently returned to China after an absence of about three years in America, was called on for some remarks and told of some interesting experiences at Columbia University, where he pursued a post graduate course in law under the guidance of the celebrated international jurist Dr. John Bassett Moore.

After a discussion of routine matters the Association proceeded to the election of officers for the ensuing year with the following results:

Judge Charles S. Lobingier, president;

Stirling Fessenden, Shanghai, vice-president for China, south of the Yangtze, and *ex officio* chairman of the Shanghai Branch;

Charles K. Moser, Harbin, vice-president for North China and Japan;

Eugene A. Perkins, Manila, vice-president for the Philippines;

Nelson E. Lurton, Shanghai, secretary.

After speeches of acceptance by all of the officers elect who were present, the meeting adjourned.

A Prayer of Thanksgiving

The cannon's murd'rous voice is stilled,
Pray God it will speak no more,
We question not the War was willed,
We only know that its o'er,
Let human voices now ring praise,
That men no longer kill in craze,
Ne'er again, God we implore.

Our noble dead, in heaven's fold,
Look down on us O! we pray,
That by God's will, our praise untold,
You have brought to us this day,
O! God in heaven we beseech,
That comfort in this truth will reach
Hearts sad, by loss in the fray.

Glad praise to God let us now sing,
Our souls, in truth they entreat,
That with our joy a gladness bring,
To hearts that have suffered defeat,
May victor, vanquished, all rejoice,
May bitterness never find voice,
To God let our praises ring.

This blessing that the Earth is free
Of slaughter intent, 'twas rife
In five past years, on Land and Sea,
A sacrilege to our life,

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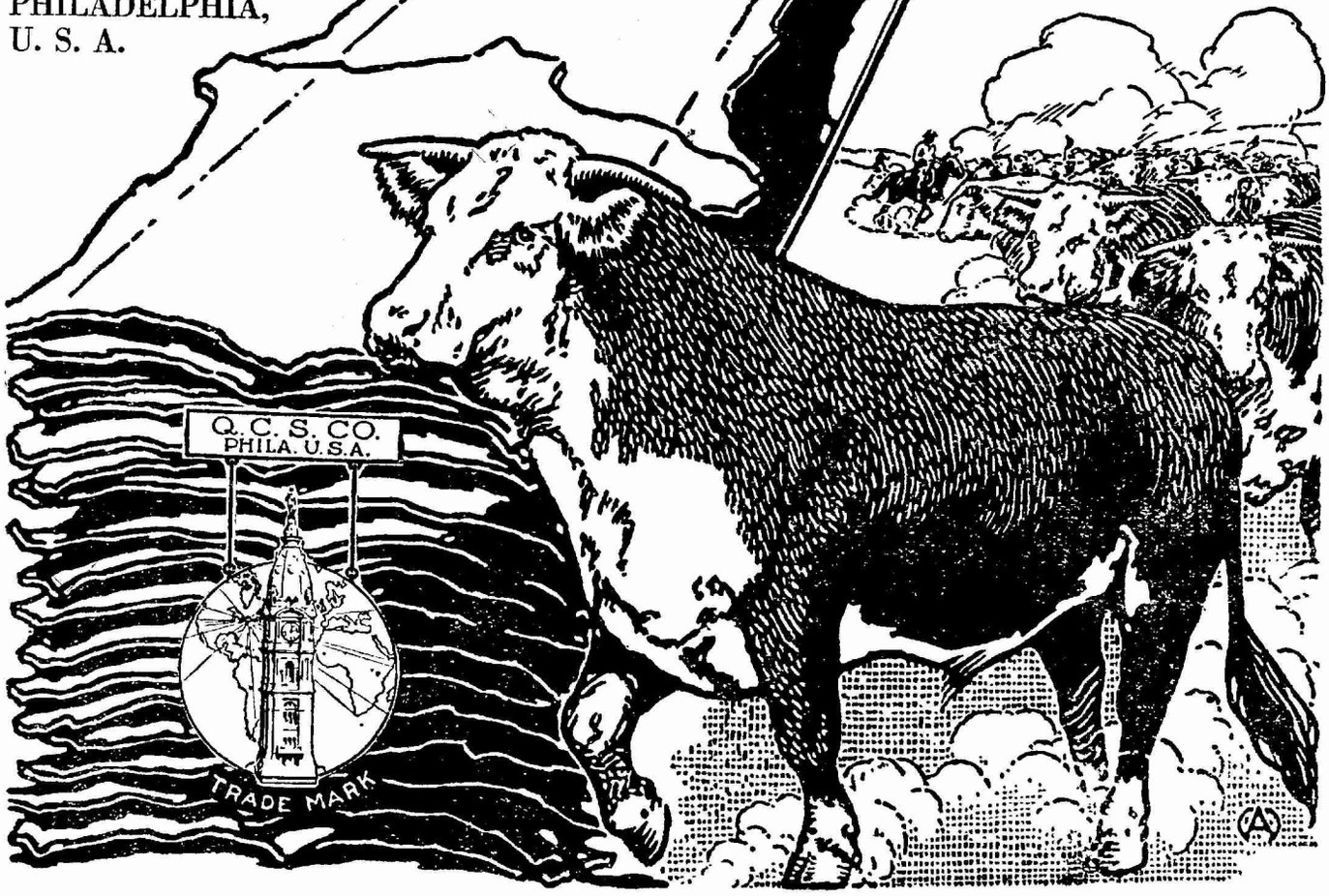

07-031

For in God's image we should be,
Came Jesus Christ on Earth to plea,
Our souls to save from the strife.
Lord God in Heaven, to thee we cry,
We thank thee for Peace on Earth,
Glad tidings that are raised on high,
From the time when Holy Birth
Caused greetings of goodwill towards men,
'Tis fitting now as it was then,
Thank God; in strife, no more will die.

C. Lane Prescott.

Women's Work

Women—Chivalry and Justice—An Answer

EDITOR, MILLARD'S REVIEW:—

With reference to the answer, in the last REVIEW, to my letter of November 23, let me say, the sentence "One wonders where Mr. Jernigan gets his idea of American women," was most unfortunate, because "one" (if one meant me) does not wonder at all. I was not thinking of Mr. Jernigan personally, and was most assuredly not attempting any personalities—I was taking his thought, not himself, for my text, and if the sentence seemed personal, I am due him an apology. Public personalities are not only unworthy but uninteresting. The thing I wanted to say was, that American men cannot invite the men of other nations to admire the way they treat American women, because the American government—consisting of men alone—has always failed to acknowledge its women as citizens—has never allowed them a voice in their own affairs—has always ignored their existence in legislative halls—and has just this autumn, on the eve of a victory for democracy, denied them any national existence!

"China" and "Colombo" combined—under conditions existing in those countries—could not have offered to their women a more humiliating thrust than the men in the Senate offered to the American women in their late ruling, in spite of the fact that numbers of these men were "born in the South, and there learned that the character of woman was beautified by modesty, and dignified by a sense of propriety." I would like in passing to say, that the four words "beautified," "modesty," "dignified" and "propriety" are all relative terms, depending on the circumstances and the judge, for their meaning—all four, in their essence, equally applicable to men and women.

My object was to take Mr. Jernigan's public utterances to remind the readers of the REVIEW, especially the women readers, that any superior position the women of America may have is *still* dependent on the whims of American men, and while their whims are usually fine, and in keeping with the country's best traditions, they persist in wanting to have the *privilege* of *giving* to *their women* the rights which American women should be able to claim under the Constitution of the United States of America.

If any one woman of America (or any class of women) prefers to live and have her being on the bounty of American men, she is free to so feel, and she may have as good, or even a better time, than the law could give her, but the majority of American women prefer to have a *right* to the thing that American citizenship should give to its citizens, namely—the right to a voice in her own government.

And so, when this is denied them, this majority feel that American men have degraded their women, as much as have the men of unenlightened nations, when they put their women as "beasts of burden." The *difference* between the training and the ideals of the two classes of men give them an *equal* standing on the woman question. The men in the one case being unenlightened and their women being also, with them, in the dark; in the other case the men and women are enlightened, but the men fail to remember how "modesty beautifies" (they believing they can do *all* things *well*); fail to appreciate the "dignity" which comes from "a sense of propriety" (giving their life's blood to put down arbitrary rulers while placing themselves in supreme charge of the other half of their own nationals); fail to understand the first and fundamental principles of the democracy for which they fight and *absolutely* fail to consider *Justice* while *ever* exalting chivalry.

M. H. Polk.

110 Range Road, Shanghai, December 2, 1918.

American Woman's Club

A musical program given by the Music Department of the American Woman's Club was held at the Carlton Cafe on Tuesday afternoon, December 3. The program was arranged by Mrs. G. F. Ashley, and contained songs and compositions of American Indian and negro music, and is as follows:

Part I.

Indian music

1. *a.* To an Indian Lodge.....*MacDowell*
   b. Legend.....*Cadman*

   Mrs. S. E. Taylor.

2. *a.* From the Land of the Sky Blue Water...*Cadman*
   b. Far Off I Hear a Lover's Flute.....*Cadman*
   c. The Moon Hangs Low.....*Cadman*

   Mrs. R. M. Bradley.

3. Onaway Awake Beloved.....*Coleridge Taylor*
   (From the Marriage Feast of Hiawatha.)

   Mr. A. Carson

Part II.

Negro music

1. Three Negro Spirituals
   .....*Arranged by H. T. Burleigh*
   a. Swing Low Sweet Chariot.....*2nd Kings, 2 to 11*
   b. Deep River.....*Old Negro Melody*
   c. Nobody Knows de Trouble I've Seen
   .....*Old Negro Melody*

   Mrs. J. J. Connell.

2. Valse Suite—Three-Fours.....*Coleridge Taylor*

   Mrs. R. B. Nichols.

3. *a.* Banjo Song.....*Homer*
   b. Uncle Rome.....*Homer*

   Mr. A. Carson.

4. *a.* Ma Curly Headed Baby—Plantation Song
   .....*G. H. Chetsam*
   b. Lay Me Down Beneath de Willows
   .....*Carrie Jacobs Bond*
   c. Po' Lil' Lamb.....*Carrie Jacobs Bond*

   Mrs. J. J. Connell.

A short business meeting was held after tea was served, and it was announced that a tiffin will be given on Wednesday, December 11, at the Columbia Country Club, 50 Route Doumer, in honor of Mrs. Charles S. Lobingier and Mrs. F. J. Seaman. The next meeting of the club will be held on December 17, and will be a Christmas program, the children of the members to be invited to attend. Members are asked to bring toys, articles of clothing and food, which will be distributed to the various institutions. The following members were admitted to the club at yesterday's meeting:

07-032

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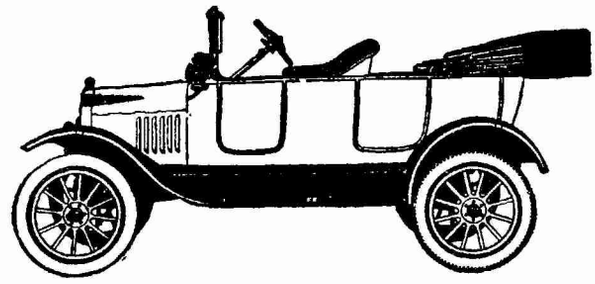

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Mrs. William Yost, Mrs. F. C. Mabee, Miss Mary Caldwell, Miss Josephine Jenkins and Miss Geraldine Rennie. The Literary Department of the club will meet at the Carlton at 4.30 p. m. to-morrow. Mrs. Baldwin is the leader and the subject will be "The Scenery of China."

Hughes-Cowen

The marriage took place on Wednesday, December 4, of Miss Dorothy Cowen, daughter of Mr. and Mrs. J. L. Cowen of the Oriental Press, and Rowland R. Hughes, of the International Banking Corporation, Shanghai. Mr. and Mrs. Hughes departed for Weihaiwei on Thursday, December 5, for a two weeks' wedding trip.

M. C. P.

Correspondence

Why Doesn't the Canton Government Declare Itself on the Opium Question?

The following letter on the foregoing subject, was received this week by Mr. T. R. Jernigan from Mrs. Elizabeth F. Brewer, of Hinghwa, Fukien Province, China. Mrs. Brewer is a member of the Methodist Episcopal Mission at Hinghwa:

We read with a great deal of interest your notes and comments in MILLARD'S REVIEW and always with appreciation. You always clear up the atmosphere and make us understand the inwardness of the situation. Recently in speaking of the revival of opium traffic and poppy growing you asked "where are the missionaries and what are they doing?" I confess that the missionaries in our region were so taken up with our local situation and problems in which the poppy growing did not enter, so that in the early part of this year we had nothing to say, but recently we have had much reason to talk and some of our missionaries have already written about the revival of poppy in the Hinghwafu (prefecture).

We know that the real leaders of the South-west provinces are not in any way responsible for this but a few of the local leaders and self-elevated officers have given permission and encouraged the raising of poppy. I have just returned from a short trip in the country. I have never seen so much poppy planted in all the years I have been in Hinghwa as I saw in this journey. It is said by some that there is five times as much poppy as there was ever planted even in the days of unlimited production. Asking the people why they were planting it they said, "We only expect to grow it this year. We have been so impoverished by the bandits and Southern soldiers that we must do something to make up this. If the South wins in Fukien we will harvest this year's crop." These people are not in need of moral or religious arguments. They freely confess all those evils and simply count it as an economic necessity for this one year. They do sit up and take notice when I tell them the attitude of the government towards poppy raising. No impression when we speak of the Peking government. What they want to know is the attitude of the Canton government. They are also extremely interested in the attitude of America and England. They were unable to reply and stood aghast at my question as to "What will you do with it after you have raised it?" What we need for the immediate publicity work is a definite pronouncement on the part of the leaders of the Canton military government. Even though an armistice is proclaimed and peace is declared yet the people will not need anything except a pronouncement by the Canton provisional government.

I am writing this that you may help us by calling attention to these leaders the demand for a definite pronouncement which can be used as a poster to be spread far and wide. Immediate action is necessary. If they do not do this it will stand as a blot on their cause in the minds of the people, and more than that when the matter is supressed the people will feel that the South was with them and that it was the interference of the North that stopped them. The question is one of great economic importance as large areas are being put into poppy which should have gone into wheat and other winter crops in this region. I am writing to you because of your great interest in the real uplift and development of China and hope that you may be able to give us some immediate help along these lines.

Far Eastern Press Opinion

The American, British, French, Italian and Japanese Note to China

From the "North China Daily News"

What we do most earnestly ask Canton to realize, and Peking no less, is that this is their last chance of adjusting their quarrels to the interests of the nation without actual interference and having the work of arrangement taken out of their hands. The present Note is, beneath the trappings of diplomatic verbiage, as strong a warning as could well be penned. For the moment it is no more. It emphasizes carefully that the Allies have "no ulterior plan of intervention and no desire to control or influence the particular terms of the adjustment." But there is no escaping the conviction that this is the last step and that if the North and South fail now to settle their differences it will scarcely be possible for the Allied Powers to maintain this attitude of benevolent aloofness. At no recorded period in her history has China been in so hopeless a state of dislocation, anarchy and unappeasable envyings and jealousies among her leaders as she is in to-day. She has got into a rut from which more and more the conviction has been growing that she will never, by her own unaided efforts, rescue herself. Her leaders know it and are fighting hard against having to admit it. That is the real meaning of the elaborate celebrations of victory, which are nothing but a trick to stop awkward questions. Those questions, or what is tantamount to them, have now been put; and it remains for the politicians of both North and South to prove that they have enough of patriotism and statesmanship to give a satisfactory answer.

From the "China Press"

We will be charitable enough not to enlarge on the evils that have been wrought in this country by the last two years of civil war. Apart from the frightful injustice inflicted on the Chinese people themselves, the internal unrest has encouraged the alien enemy during the supreme crisis of the war and hampered the effective cooperation of China with the Allies. Thereby China allowed an unequalled opportunity to slip through her fingers—an opportunity that will

never return. But China will sacrifice a yet greater opportunity if she goes to the European conference *not* as a united nation but as a house divided against itself. Does China seriously welcome the prospect of two groups of representatives attending the peace conference, one for the North and one for the South? There could be nothing more certain, in the event of the civil strife in this country not ceasing by the time the European peace conference meets, than that the old story of two dogs fighting over a bone and another carrying off the bone will be repeated. Japan's delegates at the peace conference will represent a united nation with a single will and purpose. China will find herself at a hopeless disadvantage. If the warring factions in China want to ruin themselves, that is their own business, but they have no right to ruin China, and injure the prospects of world progress. They can ruin themselves if they want to, but they have no right to involve others in the ruin. The Allies and the Chinese people themselves will see to it that the object of the militarists in China is frustrated. Their hour has struck. Chinese business men throughout the country should not let this opportunity slip to add the weight of their urgent advice to that of the Allied Powers who are known to be friendly to China, in pressing upon both North and South the necessity of immediate peace in China.

From the "Sin Wan Pao," (Shanghai)

It was because of foreign advice that the peace movement was started and the mandate for the withdrawal of the troops was issued. The public, both Chinese and foreign, have been greatly disappointed as nothing more has since been done. Hence the foreign legations have again tendered some verbal advice. It is satisfactory to note that the advice given by the foreign legations was prompted by their friendly feeling but nevertheless it is a disgrace to China that it should be necessary for the foreign legations to give us advice instead of us realising our own position. The question of the Far East will surely come up as one of the important questions for the discussion of the world peace conference. The situation in China, whether war or peace, will not only affect the position of China alone but also the interests of the other Powers. This is why the foreign Powers have deemed it necessary to advise us. If the quarrel between the North and South is not settled voluntarily, we know some one will arise to settle it for us. It will then cease to be advice but interference.

From the "Shun Pao" (Shanghai)

The Ministers of five countries have again tendered their advice to Peking because the peace movement in China is making no progress. We wonder how our Peking officials feel about it, and how the members of the bogus parliament feel about it? And how the members of the 1918 Brotherhood of the Military Governors feel about it? What will they do now? A peace conference without the form of a conference? Will they still insist on the protection of the bogus parliament? Will they hold out for the election of the Vice-President, the formation of a Tuan cabinet, while neglecting the vital interests of the country? It will be a fortunate occurrence to China if she could reunite internally. Is it not a cause for shame that the foreign legations should be so much concerned about our affairs instead of us being concerned ourselves?

China's Great Fishery Industry

BY HOLLINGTON K. TONG

A JAPANESE syndicate is now negotiating with an agent of former President Feng Kuo-chang for the control of the fishery enterprise in North China. It offers a loan of $1,000,000, which is to be returned in fifteen years. One of the loan terms is the employment of four Japanese fishery experts and a Japanese adviser. Other terms are of such a nature that before the expiration of the period of fifteen years the fishing rights in North China will have been completely secured by enterprising Japanese. Details of them are being kept secret, but I am assured by an official who has seen the preliminary agreement that they cannot stand public light, and that they do not come under the realm of legitimate business transactions.

In the whole of China there are two fishery companies, namely the Pei Yang (North China) Fishery Company and the Nan Yang (South China) Fishery Company. Their boundary line is the Yangtze river. The fishery rights north of that great river have been given to General Feng Kuo-chang, former President of China, and those south of it have been secured by Chang Chien, former Minister of Agriculture and Commerce, a Tungchow multi-millionaire. The Nan Yang Fishery Company is realizing some profits yearly whilst the Pei Yang Company has thus far proved a failure owing to bad management. Unless a loan of $1,000,000 is secured, the latter company will not only be unable to continue its business, but may also be confronted with bankruptcy. Knowing the embarrassing situation in which the company is placed, some Japanese agents, who have been supplied by their government or semi-official firms with funds to secure available concessions in China, have accordingly approached its principal promoter for the fishing concession under the pretext of helping him out.

It is estimated that in Tientsin alone the annual consumption of fish amounts to $1,500,000 and that in the local districts such as Luanchow, Taku, Tangku, etc., it amounts to more than $2,500,000. Many other important cities in North China also consume an enormous quantity of fish annually. It is said that an average family eats about twenty catties of fish every month. Fish is therefore considered a staple food of the north. Enormous profits would have been realized from the fishing industry if it had been managed with efficiency and if the government had given it encouragement. On the contrary, the Pei Yang Fishery Company has been in the hands of greedy ex-officials, and the government has been allowing local officials to squeeze all they can. In consequence, the fishermen find it very difficult to continue their business.

The Japanese government has been encouraging the fishing industry whilst the Chinese government is trying to kill it. In 1916, fishery products in Japan proper, according to the *Far Eastern Review*, which in its August issue published an article on "The Fisheries of Japan," reached in value Yen 108,720,000. Adding the production from the territorial possessions of Japan, the total amount of this item was Yen 126,467,925. The *Review* states that "compared with five years before 1916, it shows an increase of forty

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per cent in the total amount of the production." The Japanese trade in fishery products, however, received a set-back by the European War, yet the value of the export at the end of 1916 was Yen 30,000,000, an increase of over 100 per cent over the preceding five years. The fishery industry in China is insignificant, and can form no comparison with that in her neighboring country. It does not amount to more than $9,000,000 a year for the whole of China, in the opinion of a fishing expert. The Nan Yang Fishery Company has been making a small amount of profit, but the Pei Yang Company has lost $230,000 during the last few years. One of the several causes for the failure of the latter company was the purchase of a German fishing boat some time ago, which was found to be useless and which was finally lost by an accident.

The Pei Yang Company, which is under the control of former President Feng, was formed by the amalgamation of several small companies. Its scope and aims are similar to those of the Nan Yang Fishery Company, namely the development of fishing products along the coastal provinces. The following brief history of the origin of the Pei Yang Fishery Company is interesting from more than one point of view.

In 1905 the local government in Tientsin formed what was called the Chihli Fishery Company, and later changed it into the Bureau of Fishery Taxes. In 1906 the late President Yuan Shih-kai, who was then Viceroy of Chihli, established four "General Sales Offices" in Tientsin for the handling of all kinds of fishery products and collecting taxes for the same. By one stroke of his pen, he abolished all the fishing organizations and created a fishing monopoly. He also abolished all the firms engaged in the fishing business even in the districts. The general sales offices, however, experienced difficulty in dealing with rowdy fishermen direct, and were obliged to invite the assistance of fish merchants. A tax of 6 per cent was levied on all fishing products, and for several years these monopolistic offices, with the cooperation of fish merchants, were able to carry out their functions successfully. In the meantime, those officials behind them secured a great private fortune. This state of affairs continued until 1912, when the first revolution broke out and the market became extremely tight with money. The local government was successfully persuaded not to collect any taxes for three months from those who were engaged in the fishing business. Gradually the functions of the four general sales offices were relegated to the background, and the offices themselves finally disappeared.

The fishermen, seeing that the opportunity to kill the government fishing monopoly had arrived, established several fishing guilds, and then petitioned the Industrial Taotai (an official whose business it was to encourage industries) for permission to be engaged in the fishery trade and at the same time to act as agents for the collection of the tax on behalf of the government. The petition was approved, and the merchants who secured such approval for it, imposed upon fishing products a tax of 8 per cent, 4 per cent of which was remitted to the government treasury and the rest was pocketed by themselves. Ten guilds in North China were permitted to enjoy this privilege, known among the people as sole sale agents, but shortly afterwards the fishermen who did not have such privilege brought suits against them. The Pei Yang Fishery Company was established under the auspices of General Feng Kuo-chang, who was then Tutuh of Chihli or Military Governor with his office in Tientsin, and a fishing monopoly was acquired for it.

The prospectus of the Pei Yang Fishery Company contains much information which reveals the great potentiality of the fishing industry in China. In part it reads thus:

The Extension of the Company: It has been decided that the head office and a market for the sale of fish be established at Tientsin, the center of commercial activities, which has every facility for transportation by land or by water. Branches shall be established at Peking and Paotingfu. They shall cooperate with the head office. It is found that in the various districts and towns along the coast of the sea there are fishing grounds which produce large quantities of fish and have their special markets for the disposal of their products. Managers shall be appointed for these districts to manage the fish business and invite the people to invest money in the company. Should the local fishing companies or shops be willing to join the company, they should be given the privilege to manage the branches.

The Nursery of Fish: In ancient times, books were written by Tao Chu-kung on the subject of fish cultivation. Owing to the ignorance of fishermen, very little attention has been paid to the nursery of fish. We have decided to dig ponds for the nursing of fishes in order to remedy the condition. In the province of Chihli, river and sea fishes are abundant. Taku, Tangku, Peitang, Chikou, Luanchow and Haipao, being situated along the sea coast, are suitable for the cultivation of sea fish, where fishing grounds should be purchased, whilst fishing ponds in Chaopeikou, Chinghokou, Peitaotsun,

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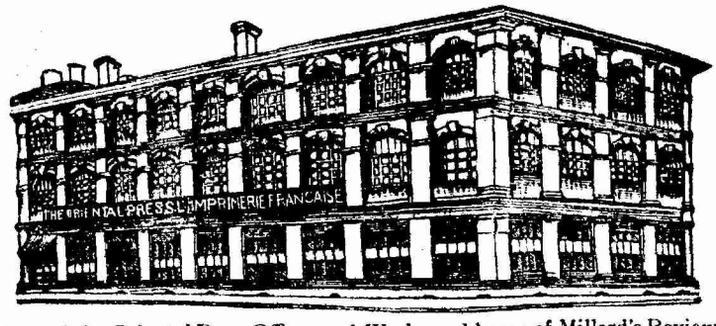

View of the Oriental Press Offices and Works and home of Millard's Review

AGENTS FOR

Pacific Ports, the important publication of Frank Waterhouse & Co., Seattle, U. S. A. This book of information contains material that should be in the hands of exporters and importers and shipping firms having connections in China or the Far East. It is a book of four hundred and fifty pages and is conveniently bound. The 1918 edition is now ready for distribution at Gold. $3.00 net. Apply to,

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Taitou in Anchow, and Chengfang in Wensheng should be constructed for the nursing of river fish. Investigations should be instituted to ascertain suitable food for the various kinds of fish, and find out the means to avoid plague and multiply the fish. Literature on the nursery of fish should be published and distributed in order to interest more people in the enterprise.

The Method of Fishing: Various kinds of fishing boats and nets have been employed by Chinese fishermen in Pei Yang, a few of whom are rich, and most of them have been employed as mere laborers at a very low wage. At Funning and Linyu, for instance, each fisherman receives thirty or forty thousand cash or about three dollars during the whole fishing season of seventy days, but when the fishing season is over, these poor fishermen invariably become beggars. The policy of our company is to employ them and pay them properly, thus providing them with the subsistance. Those possessing fishing boats and nets but having no money to employ laborers shall be supplied by the company with funds. The fish they may catch shall be sold to the company, and in this way the latter recovers the fund advanced. Should these fishermen wish to turn their boats and nets over to the company, they would be entitled to its profits. All the fishing methods should be improved, and the company proposes to adopt those which are practical and abandon those which yield less profit.

The Manufacture of Canned and Salted Fish, etc: More than $1,000,000 worth of canned fish are imported to China annually. One of the causes for the failure of China's fishing industry is the satisfaction of Chinese fishermen with primitive ways of fishing. The company proposes to reform. In the manufacture of dried fish, salted fish, canned fish, etc., we will adopt foreign methods and engage experts to train our people. The company will first establish factories at Taku and Tangku, and later on will send trained experts to the fish producing districts for educating ignorant fishermen. It is hoped that China will soon be able to export fish.

The Improvement of Fishing Boats: The old-fashioned fishing boats are too small and destitute of necessary implements, and are therefore unfit for the purpose. According to the modern method, electric light is attached to the fishing nets in order to attract the fish. If the net is large and the boat can travel at a considerable speed, a large quantity of fish can easily be caught. At Nan Yang, German fishing boats have been employed. Each of them casts its nets three times a day, or eight hours each time; and in one day each can catch between 2,000 and 8,000 pounds of fish. On the average one boat can obtain 4,000 pounds of fish every day. Should 2,000 pounds of fish be sold daily, each boat can make about $200 a day or $6,000 a month. According to our estimate the profits made by two small fishing boats in a period of two years will be able to repay the whole capital invested in their purchase. In North China there are many varieties of sea fish, and in Taku and its vicinity, for instance, large fish can be found in the open sea, where the Chinese boats, however, cannot reach. Therefore this company has decided first to purchase two small modern fishing boats for the purpose.

Preserving Fish by the Use of Ice: Fish requires ice for its preservation, especially in the summer time. As the people in the North do not keep sufficient ice for such a purpose, the company proposes to manufacture or store up ice itself for preserving fish. At the same time, factories shall be established to prepare salted fish.

Education for the Fishermen: More than 100,000 people in North China are engaged in the fishing business, but they have received no education whatsoever on the subject of the fishery industry. It is the desire of the company to educate the children of fishermen. For that purpose, schools will be established in various fish producing districts. After receiving a common education, the children of fishermen shall be taught the art of fishing and the manufacturing of canned fish, etc. As the fishing is considered one of the most important industries in Japan, it behooves China to pay to it her special attention.

Some of the more important regulations governing the organization of the Pei Yang Fishery Company are as follows:

This company has been registered in the Ministry of Agriculture and Commerce;

The trade mark of the company shall be a "Globe";

The capital of the company shall be $1,000,000, one half of which shall first be subscribed; one hundred thousand dollars shall be subscribed by its promoters and four hundred thousand dollars by the public. Each share shall be ten dollars, for which an annual official interest of 8 per cent shall be paid;

Special privileges shall be given to those who subscribe the shares of the first $100,000 of the capital. That is for every such share, a free share shall be given after the capital is fully subscribed;

After the payment of the annual official interest, the profits of the company shall be divided into 16 shares, of which one share shall be for the administrative expenses of the company, two shares as bonus to the officials of the company, two for the directors, etc., four for the reserved fund and the remaining seven shares shall be divided among the shareholders;

As the object of the company is to develop the fishing industry, the company shall accept fishing nets, grounds, boats, ponds, etc., in lieu of subscriptions;

The company shall elect one president, one vice-president and several auditors and directors, who shall be required to attend to the affairs of various departments.

Peking, November 23, 1918.

Commercial and Financial Notes

According to a Harbin message in the *Peking Times* for November 19, the congestion of traffic on the Chinese Eastern railway which was referred to in last week's issue of the REVIEW, is now so great that more than 25,000 tons of soya beans are left congested at the stations along the line. At Harbin there are 11,000 tons, at Tuichingshan 9,000 tons and at Yukimi 5,000 tons.

The Atlantic & Pacific Steamship Company, a subsidiary company of William R. Grace & Co., has purchased through William A. White & Sons a frontage of more than 80 feet on Old Slip, between Water and Pearl Streets, New York, according to the *American Exporter* of November. The Atlantic & Pacific Steamship Company intends using the entire space. The plot is directly opposite the fine office building which William R. Grace & Co. erected a few years ago and to which a large addition is now being made.

As a result of its operations to the Orient during the last year, the Pacific Steamship Company of San Francisco announces further developments. The plans involve not only an addition in ships on the Puget Sound-Far Eastern route but an extensive increase in the company's representation in the Orient. Arrangements are being made for the company to establish its own offices in Hongkong, Yokohama, Kobe, Manila, Singapore, Vladivostock and other ports, according to the *American Exporter*.

New Books and Publications

A Prophecy of the War, by Lewis Einstein. New York: Columbia University Press.

THE author of this book is an American with a long diplomatic experience both in Asia and Europe. Soon after the war was started by Germany, the author discovered that the Central Powers, with their vast military establishment, might succeed in subjugating the Allies and in that case the balance of power in Europe being lost America would not be safe. He therefore foretold that America would have to side with the Allies in the Great War.

Analysing the causes of the war, the author concludes that the feeling of rivalry existing between England and Germany, more on a psychological than on a commercial basis, is responsible for the war. Speaking of the effects of the war on the world, the author says that not in only Europe but "an indication of its far-reaching nature, independent of the actual field of its hostilities, would, for instance, be presented in the Far East, where even the temporary withdrawal of European influence would leave us face to face with a commensurately more powerful Japan." He endorses America's traditional policy of the "open door" in China and would not allow anything to stand in the way of this policy.

The book contains a Foreword by Theodore Roosevelt, who justifies America's entry into the war on moral grounds, explaining the real meaning of the neutrality pronounced by President Wilson during the early stage of the war.

H. P. S.

At the Shanghai Hotels

The following guests have registered at the Astor House Hotel during the week: Mr. and Mrs. J. Herskovito, Moukden; Mrs. J. Philipps; E. J. King; Miss M. King; Miss A. King; Miss Y. Mitchell; Baron. and Baroness Magdell, Tokyo; Consul and Mrs. J. B. Jackson, Egypt; B. Gothel. Egypt; Miss Roffo; Miss Lepscough; Mr. and Mrs. J. J. Connell; W. A. Higinbotham, Montreal; M. J. Butler, Australia; R. Fairme, Manila; E. P. Yamonlatos, Kobe; L. Mayer, Chicago; J. W. Finch, New York; A. Tacovleff, Peking; Miss M. Gerrard, New York; T. E. Taylor; A. J. Carson, Shanghai; D. Earle, Shanghai; W. A. Cuddy, Seoul; P. G. Sullivan, Seoul; Mr. aud Mrs. R. Wenothoff, San Francisco; Dr. Dan, Japan; Zoneyama, Japan; Tamati, Japan; Sada; Trmura, Japan; Chara, Japan; Iijima, Japan; W. F. Sokall, Chinkiang; W. R. C. Smith, Mukden; D. H. Wythe, Dairen; Mr. and Mrs. A. V. Tofte, Tsingtao; P. Ramey, New York; E. Poper, Hankow; G. Cutforth, Chefoo; H. W. Russell, N. Y.; L. Thornton, Harbin; Mr. and Mrs. Rekova; Tientsin; J. Baumohi, New York; P. P. Clover, Changsha; B. P. Jenkins, Soochow; A. O. Courtis; Capt. N. R. Bennett; C. H. Thorn, Yokohama; M. Miya, Osaka; Tomota, Osska; A. Docauier, Tientsin; C. Hunng, Tientsin; N. Hetrood; T. A. Beall, Wenchow; Hemmdinge, Peking; Gestreand; R. A. Schilling, Hangchow; Mrs. L. F. Gardner.

The following guests have retistered at the Palace Hotel during the week: R. M. Leving, Singapore; E. Molloy, Kiukiang; G. M. Oliver, Shanghai; H. R. Franz, New York; K. Nebuska; J. A. Ranoe, Yokohama; E. E. Lathrop, New York; Mrs. E. E. Lathrop, New York; Capt. H. Rousselet, New York; Galin John, Vladivostock; Ishidznkn; J. E. Hargraves, Shanghai; K. Karigai, Tientsin; T. Kamebuchi, Tientsin; W. Yasakawa, Tientsin; Mr. and Mrs. Lecocur, Hongkong; Mr. and Mrs. B. Knapp, Boston; Mr. and Mrs. A. K. Wadia, Hongkong; J. M. Lazauro, Manila; T. Royes; F. M. H. Holman, Hongkong; Major M. Garibaldi, Hongkong; T. L. Jackson, Bangkok; Mr. O. Sorensen, Hongkong; F. G. Harrison, Nanking; Mrs. G. N. Marshall, Shanghai; C. E. Watkins, Kobe; W. F. Wenyon, Tientsin; R. B. Roach; Mrs. W. C. P. Howard, Kashing; M. S. Concepcion, Manila; R. W. Gregg, Tientsin; Mr. and Mrs. P. Deolin, New York.

The following guests have registered at the Grand Hotel Kalee during the week: Mr. and Mrs. Krempasky, Tientsin; M. Grainshhten; Mr. and Mrs. Geo. Rose, Hankow; Chas. Stone; Jos. Scotson; G. P. Sorgent, Hangchow; T. Honbert, Hongkong; W. A. Gibbings, Hankow; M. J. Legden; H. Johnstone, Kobe; M. G. Otshka, Kobe; E. R. Eugleef, India; Vicient Gowen, Nanking; G. Brummer, Chefoo; Miss Lina Puzon, Manila; Miss Celi Puzon, Manila; S. Makaroff, Tientsin; Mr. and Mrs. Argounoff, Tientsin; Auxentieff, Omsk; Rogovskef, Omsk; Zenzinoff, Omsk.

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In the United States Court for China

Recent Filings:

November 29, 1918; Cause No. 701; Judah I. Ezra v. W. L. Merriman; plaintiff's affidavit; notice to take deposition of R. D. Bunn.

„ 29, „ Cause No. 690; H. Leslie Ford v. MacDonell-Chow Corporation; stipulation to withdraw certain exhibits.

„ 29, „ Cause No. 711; In re Last Will and Testament of John T. Anderson, deceased; report of death; Will; inventory.

„ 29, „ Cause No. 648; In re Last Will and Testament of Theodore Moorehead, deceased; receipt of sole beneficiary.

„ 29, „ Cause No. 705; In re Alexander Krisel; respondent's motion for further time to plead.

„ 30, „ Cause No. 701; Judah I. Ezra v. W. L. Merriman; affidavit of R. D. Bunn.

December 2, „ Cause No. 708; In re Last Will and Testament of Ellen McGrath Jansen, deceased; petition.

„ 2, „ In re Admission to Practice of E. A. Perkins; report of examining committee.

„ 2, „ In re Admission to Practice of N. E. Lurton; report of examining committee.

„ 2, „ Cause No. 705; In re Alexander Krisel; respondent's motion to quash information.

„ 3, „ Cause No. 701; Judah I. Ezra v. W. L. Merriman; plaintiff's exception; motion; affidavit; amended petition; notice of motion.

„ 3, „ Cause No. 708; In re Last Will and Testament of Ellen McGrath Jansen, deceased; submission to jurisdiction by administrator; oath of administrator; letters of administration *cum testamento annexo.*

„ 4, „ Cause No. 701; Judah I. Ezra v. W. L. Merriman; plaintiff's amended exception; notice.

„ 5, „ Cause No. 705; In re Alexander Krisel; respondent's exception; motion.

„ 5, „ Cause No. 706; Gunn v. Gunn; defendant's answer; stipulation.

„ 5, „ Cause No. 663; In re Estate of Paul McRae, deceased; commission to take depositions.

„ 5, „ Cause No. 675; Siao King Kee v. American Trading Co.; appearance of F. W. Hadley, Esq., as Counsel.

Judgments and Orders:

December 2, 1918; In re application of E. A. Perkins; order of admission.

„ 2, „ In re application of N. E. Lurton order of admission.

„ 3, „ Cause No. 708; In re Last Will and Testament of Ellen McGrath Jansen, deceased; admitting Will to probate; appointing administrator *cum testamento annexo.*

„ 3, „ Cause No. 657; John Layton Company v. Carl Blomberg; amended and final decree.

„ 6, „ Cause No. 705; In re Alexander Krisel; on motions.

Hearings:

November 30, 1918; Cause No. 705; In re Alexander Krisel; on respondent's motion

„ 30, „ Cause No. 701; Judah I. Ezra v. W. L. Merriman; on motion to take deposition of R. D. Bunn.

December 2, 1917; In re application of E. A. Perkins; on report of examining committee.

„ 2, „ In re application of N. E. Lurton; on report of examining committee.

„ 2, „ Cause No. 708; In re Last Will and Testament of Ellen McGrath Jansen, deceased; on petition for admission of Will to probate.

„ 5, „ Cause No. 705; In re Alexander Krisel; on respondent's motion to quash information.

„ 5, „ Cause No. 701; Judah I. Ezra v. W. L. Merriman; on plaintiff's motion *re* amended petition.

„ 6, „ Cause No. 705; In re Krisel; on motion to strike matter from information.

Assignments for Hearing:

December 11, 1918; Cause No. 661; A. Tapelisky et al. v. Manchurian-American Trading Corporation.

JOHN LAYTON COMPANY (A CORPORATION), COMPLAINANT, vs. CARL BLOMBERG, RESPONDENT.

Amended and Final Decree

(*Filed December 3, 1918.*)

SYLLABUS

1. **Injunctions:** *Contempt: Evidence* equivalent to that required for conviction of crime is necessary in order to establish the violation of an injunction.

2. **Contracts:** *Restraint of Trade: Tests:* Limits of time and area are no longer the controlling tests of validity for contracts in restraint of trade; the test of reasonableness, as regards the business in question, applied.

3.—*Divisibility.* A prohibition of entering at any time, anywhere in China, other similar employment in a business of which the employer has but one plant, is indivisible and unreasonable but a prohibition of divulging trade secrets is separable from the above and enforceable.

Messrs. Jernigan, Fessenden & Rose, Geoffrey H. Wright, H. G. C. Bailey, and R. T. Bryan, Jr., for complainant.

Ralph A. Frost, Esquire, and Messrs. Fleming & Davies, for respondent

LOBINGIER J.:

The bill in this cause prayed the enforcement by injunction of a contract by which the respondent

"agrees that he will at no time without the written consent of said Employer either in his own behalf or any person or company other than said Employer or said International Export Company, enter into any business in China in any way connected with or pertaining to eggs or poultry or any other kind of business transacted by or in behalf of the International Export Company and that he will not give out any information to any one other than the Employer and said International Export Company or the duly credited representatives of them or either of them in respect of any branch of the egg or poultry business in China or any other kinds of business transacted by the Employer or the International Export Company.

If the employee shall at any time wilfully neglect or refuse or in any way prove himself dishonest or untrustworthy or from any other cause shall not satisfactorily carry out his duties, of which breach, incompetency, unsatisfactory conduct, insubordination or disobedience the Employer shall be the sole judge and whose decision shall be binding and conclusive, the Employer shall be at liberty to dismiss him and terminate this contract and pay to said Employee the portion of salary due to him for the time actually served up to the date of his dismissal."

The bill alleged complainant's dismissal of respondent, the latter's acceptance of employment by a rival firm and that

"by so doing the defendant caused and is causing great and irreparable damage to the plaintiff."

Principally upon the strength of this last averment and after an *ex parte* hearing, the court, in order to preserve the *status quo ante* during the brief period which should elapse before the cause could be heard upon its merits, granted on June 6, 1918, a temporary injunction,

"Restraining the respondent from continuing in the employ of any one in Hankow other than complainant and the International Export Company whose business is in any way connected with eggs or poultry."

The answer filed on June 20, alleges that respondent's dismissal was wrongful, denies that his present employer is a business rival and finally avers

"that the clause of said agreement which provides that 'he (the defendant) will at no time without the written consent of said employer (the plaintiff) or said International Export Company, enter into any business in China in any way connected with or pertaining to eggs or poultry or any other kind of business transacted by or in behalf of the International Export Company,' is in restraint of trade, contrary to public policy, illegal and void; and (b) that the clause in said agreement which provides in substance that the employer (the plaintiff) shall be the sole judge and that its decision shall be binding and conclusive on questions of alleged misconduct, neglect or breach of the agreement on the part of the defendant, is contrary to public policy illegal and void."

Previous to the hearing, complainant offered certain affidavits in support of a claim, made orally in open court, that respondent had violated the terms of the injunction. But as no formal motion for an order to show cause was presented, said claim was heard in connection with the hearing on the merits and both parties were given opportunity to present evidence thereon.

Aside from the affidavits, which are mainly to the effect that respondent was seen upon the premises of his employer after the service of the order of injunction (which did not prohibit him therefrom), a Chinese mason named Wong Her Gee testified that on the night of June 10, two days after the service of the order, the respondent gave directions to the witness and others regarding the placing of two layers of brick on the premises of respondent's employer. On cross-examination he admitted that a certain clerk told him that respondent had given orders to work at night. A Chinese coolie also testified to orders by respondent but on cross-examination admitted that he did not hear them given. On the other hand, respondent states positively that he did nothing in the way of "working, giving orders or constructing" after the service of the order; and we must find the evidence of violation insufficient under a well known rule which has been thus stated in a work [1] of authority:

"The proceedings in contempt being in their nature criminal in character the strict rule of construction applicable to a criminal prosecution obtains therein, and presumptions and intendments will not be indulged to sustain a conviction. The guilt must be established by clear and satisfactory evidence; a mere preponderance is not enough. The accusations must be supported by evidence sufficient to convince the mind of the trior beyond a reasonable doubt of the actual guilt of the accused."

II

In granting the temporary injunction we had occasion to observe—

"It is no longer the rule either in England or America that a contract by which one party agrees not to engage in a certain business *for a limited time* within even an extensive area is void."

Neither the able and exhaustive argument of counsel in this case nor our own subsequent researches have given us any reason for qualifying that statement of the law. But the prohibition above quoted from the contract is not, it will be seen, "for a limited time." On the contrary the respondent agreed that he would "*at no time* * * enter into any business in China," etc. The authority [2] chiefly relied upon by complainant in oral argument and cited in the former opinion upheld a contract unlimited in area but limited in time to twenty-five years.

On the other hand, H. B. M. Supreme Court in China [3] refused an injunction to enforce as to other ports than Shanghai an agreement by an employee not to enter for ten years into the service of any other person in Shanghai or any other place where the employer might have a branch business.

However, it seems now to be well recognized that the former tests by limits have lost their importance. As was said in a case [4] in which this Court declined to uphold a clause forbidding a retiring member of the pilots' association to pursue his calling for a period of two years, it is neither the duration of the contract nor the area over which it is meant to extend which constitutes the determining factor as regards its validity; they are merely elements in the general consideration of its reasonableness.[5]

An English work of authority [6] summarizes the result of the "all important decision" [7] by the House of Lords above cited, as follows:

"(1) The old rule distinguishing between general and particular restraints has ceased to afford the practical test, which is now in all cases the reasonableness of the covenant in the interests of the covenantee.

"(2) In weighing the reasonableness of the restraint regard must be had to the following considerations:

"(a) The generality of the covenant, whether as to time or space, may render it unreasonable. A covenant is not necessarily valid because restricted as to time, but may be void because it is not so restricted.

"(b) Different degrees of protection are reasonable in different cases; e.g., in the sale of a trade secret, sale of goodwill, or dissolution of partnership and contracts of service respectively. A trade secret needs absolute protection, and there is greater freedom of negotiation in the case of the sale of goodwill than in cases of apprenticeship.

"(c) The reasonableness of the restriction must be judged by the character and nature of the business or its customers."

One of the authorities [8] presented by complainant's counsel contains the following discussion on this point:

"No better test can be applied to the question whether a particular contract is reasonable than by considering whether the restraint is such only as *to afford a fair protection to the*

1. 9 Cyc. 45.
2. Nordenfelt v. Maxin etc. Co. Ltd., 1894 A. C. 535.
3. Hall & Holz Ltd. v. Tozer, North China Herald, LXXX, 54, 94. (July 1906).
4. Woosung-Hankow Pilots' Association v. Butland, Civil Cause No. 104, North China Herald, April-June 1912, (May 3, 1912), 133.
5. Citing Anson on Contracts, 230.
6. Matthews & Adler, Covenants in Restraint of Trade (2nd. Ed. 1907) 63.
7. Nordenfelt v. Maxim etc. Co. Ltd., 1894, A. C. 535.
8. Ruling Case Law, VI, secs. 194 et. seq.

> *interests of the party in favor of whom it is given*, and not so large as to interfere with the interests of the public. Whatever restraint is larger than the necessary protection of the party can be of no benefit to either; it can be only oppressive, and if oppressive it is, in the eye of the law, unreasonable."
>
> "The covenant is inserted only to protect one of the parties from the injury which, in the execution of the contract or enjoyment of its fruits, he may suffer from the unrestrained competition of others. The main purpose of the contract suggests the measure of protection needed, and furnishes a sufficiently uniform standard by which the validity of such restraints may be judicially determined. In such a case, *if the restraint exceeds the necessity presented by the main purpose of the contract, it is void* for two reasons: first, because it oppresses the covenantor, without any corresponding benefit to the covenantee; and, second, because it tends to a monopoly. It may be added that even though there is an apparent main lawful purpose, yet if the obvious purpose and necessary result of the contract are to establish a monopoly, the contract is void.
>
> "The validity of the contract should be determined not by what has been done under it, but by what may be done under it; by what will be its real tendency with reference to trade and monopoly when in full operation."

Applying to this case the foregoing tests we may now inquire,

(1) What feature of complainant's business needs the protection of the clause prohibiting respondent from entering into similar business anywhere in China at any time? The evidence discloses but one plant of complainant in China and that at Hankow. In the case[10] already cited from H. B. M. Supreme Court in China, the agreement not to enter for a period of ten years into the service of any other person in Shanghai where the employer might have a branch business, was held unreasonable as to all except Shanghai, in the absence of proof that branches had been opened elsewhere.

(2) What of "the character and nature of the business or of its customers?" Complainant's customers are apparently not found in China at all for its business appears to consist in manufacturing its product and shipping it to outside countries. No evidence has been produced which would justify us in finding that complainant would suffer any loss of custom whatever thru the mere fact of respondent's employment by a concern engaged in similar business in Shanghai or Tientsin. Indeed if we are to accept the estimate given by complainant's local manager as to the quality of respondent's services, the result would be quite the contrary.

On the other hand, the literal enforcement of the clause renders respondent wholly useless for the balance of his life to the development in China of an important industry. This, as recited in the works above quoted, is not only oppressive to him but tends to prejudice the public. It is suggested indeed that the commercial area of China is after all quite limited, but it appears that this particular business is already conducted in various parts of the country. Moreover, to repeat a portion of the language above quoted, we must consider "what may be done" and it requires little stretch of the imagination to conceive that industries of this class may in time become not only extensive but very numerous in a country of such vast extent as China.

In the oral argument complainant's counsel cited no case where a contract unlimited in time and covering an area as extensive as this was upheld. In an able and exhaustive brief presented since the trial various authorities are cited on the main proposition but none of them conflict with the rule of "reasonableness" announced above. The facts in each of them differ widely from those of this record.

9. Citing Harrison v. Glucose Sugar Refining Co., 116 Fed. 304, 58 L. R. A. 915, and other cases.
10. Hall & Holz, Ltd. v. Tozer, North China Herald, LXXX, 94, (July 1906.)

In the one Supreme Court decision[11] cited on this point it was found that the business extended over a number of states and a sale of the goodwill with an agreement not to reengage in the business was enforced, the court thus applying the rule we have followed:

> "Public welfare is first considered, and if it be not involved, and the restraint upon one party is *not greater than protection to the other requires*, the contract may be sustained. The question is whether, under the particular circumstances of the case, and the nature of the particular contract involved in it, *the contract is, or is not, unreasonable.*

Two of the three cases cited by court are English.[12]

In what complainant's counsel say is the latest decision[13] which they have found and which, it is claimed, "supports our contention to the fullest degree" the court emphasizes the extent of the business which had been sold as follows:

> "At the time of the sale, when appellee's business in diggers was five years old and in augers two, it had marketed these articles in thirty-four of the United States and in two Canadian provinces. * * * By reasonable attention the trade could be expected to extend 'throughout all parts of the United States and Canada where augers and diggers can be used.' So it is evident that appellee was selling and was covenanting to protect a national and international goodwill."

The court then states the precise rule we have applied here, viz.

> "A restraint of 500 miles and 50 years on a village doctor, who had only a local practice, would be unreasonable, *because not reasonably necessary to the protection of his successor*, while a general covenant by Pears Soap Company should be enforced (at least to the extent of the decreeing court's reach) because the goodwill of the business is world-wide and of expected indefinite continuance."

In another case[14] the trial court, whose decree was affirmed, spoke of "the wide area over which business was transacted" and found that "the firm had built up a business extending practically throughout the country." The Court of Appeals merely rejected appellant's contention that the seller's agreement not to reengage in the business was

> "broader than necessary to protect the complainant in the reasonable enjoyment of the business purchased, upon the ground that the proofs do not show that the business in question was, at the time of the purchase of appellant's interest, conducted throughout the entire United States."

Nothing in this conflicts with the doctrine we have stated.

In the case[15] which complainant cites as the first of those "where there is no limit as to time or territory" the court merely sustained on demurrer complainant's claim,

> "That a restrictive covenant, made by one capable of contracting, which is unlimited as to time, and in area covers the entire United States, and is ancillary to the main lawful contract, being in part consideration of the goodwill sold, and is reasonable, and is *no broader than is necessary to save to the covenantee the rights* and privileges for which he has paid, may be enforced."

In a case[16] which turned largely upon the question of unlawful combination the contract is not set out in full but respondent's contention was not disputed that the real purpose of the sale there involved was to "control the business of buying, importing and selling fruit *throughout the United States.*"

In the last[17] of complainant's citations on this point the court deduces from various authorities the same rule which we have derived, viz.,

> "With respect to the territory to which the restriction should apply, the rule has always been that it might extend to the limits wherein the plaintiff's trade would be likely to go."

11. Fowle v. Park, 131 U. S. 88, 33 Law. ed., 67.
12. Rousillon v. Rousillon, L. R. 14 Ch. Div. 351; Leather Cloth Co. v. Lorsont, L. R. 9 Eq., 345.
13. Hall Mfg. Co. v. Western Steel & Iron Works, 227 Fed. 588.
14. Prame v. Ferrell, 166 Fed. 702.
15. Nat. Enameling etc. Co. v. Haberman, 120 Fed. 415.
16. Canors-McConnell Co. v. McConnell, 140 Fed. 412.
17. Knapp v. S. Jarvis Adams Co., 135 Fed. 412, 35 L. R. A. (N. S.) 119.

Surely nothing in this record would justify the enforcement of this contract as to all China under such a rule.

As to all of these cases it is to be observed then:

(1) The business in question was conducted over an extensive area and the *contract merely followed the business.*

(2) The doctrine applied invariably was the doctrine of reasonableness which we have adopted.

(3) The contracts enforced were not mere contracts of employment but sales of the good will of the business.

For respondent's contract is in the nature of what one of the authorities above calls an "apprenticeship" regarding which it is said there is not the same freedom of negotiation as in the sale of goodwill. In other words, if respondent had been conducting a rival business which he had sold upon a sufficient consideration to complainant with an incidental agreement not to engage again in the same business in China, there would have been more reason for its literal enforcement. But here respondent sold nothing. He merely engaged at the very moderate salary of $200.00 a month to serve complainant under what purports to be an arrangement terminable at complainant's will.

Counsel admit that they have "been unable to find a case where a contract of employment like ours has been construed by the Federal Courts." Necessarily, then, the alleged conflict between the doctrine of those courts and what counsel in argument called the "English rule" has not been established. The one case[18] which they cite relates to a contract of employment for two years only on a restricted laundry route in a single city—surely a very different situation.

On the whole, we are unable to find that the clause here invoked meets the tests of reasonableness imposed by the authorities, and after reviewing them we are forced to the conclusion that said clause "exceeds the necessity presented by the main purpose of the contract."

III

In granting the temporary injunction we referred to the rule that where "the contract is divisible it may be enforced locally even tho the provisions as to a larger area are not upheld." This doctrine is well recognized in England[19] and it was thereunder that in the case above cited H. B. M. Supreme Court in China was able to segregate the prohibition regarding Shanghai from that relating to any other place where complainants might have a branch business. In the decision[20] on this point cited in our former opinion, and now invoked by counsel for complainant, the Supreme Court, applying the same doctrine, upheld that portion of the contract in judgment which related to one state tho in fact another state was included.

Counsel assert "that there is no conjunctive word used," etc.; but the contract bound the steamship company not to operate on the "waters of the state of California *or* the Columbia river." On the authority of English decisions construing similar clauses[21] the Supreme Court held this contract divisible, saying:

> "This stipulation excluded the steamer from the territory covered by the former stipulation exacted by the California Company, and also from the territory occupied by the Oregon Company itself. The latter portion of the stipulation stands on the same ground and reason as did the first stipulation between the California and Oregon Companies."

It is true that the court enforced the contract for only a part of the stipulated period but it did so because that part related to the Oregon branch of the contract which it found divisible from the California branch. The court upheld the seven year provision for the Oregon branch only because the latter was severable from the former. In other words the division was primarily territorial and not temporal and the latter was merely a corollary from the former.

Counsel admit that the Supreme Court "cite some English decisions in support of their opinion." The fact is that out of eight cases cited in the opinion all save two are English and those two are cited on a minor point. Instead of a conflict such as counsel suggest between "the English Courts and our Federal Courts" the English cases are the only ones upon which the Supreme Court assumes to base its main conclusions and a review of those cases would seem to be in order.

Where a tailor's employee engaged not to carry on "any business whatsoever within the distance of one mile of" the employer's establishment for a period of two years, the court said in denying an injunction:

> "If the plaintiff's argument be good, then in every such case the Court could carve out of the unreasonable distance a distance which would be reasonable. Thus if the covenant were, *e. g.*, not to carry on a business in any part of the whole world, the court would be asked to uphold it by construing it as a covenant not to carry on the business within, say, a limit of 2 miles, which would in effect be making a new covenant, not that to which the parties agreed."[22]

The same course was taken where the employee had agreed "that he would not be in any way connected with any other business within three miles," Byrne, J., holding that the phrase "any other business" was not divisible.[23]

Where the employee, also a tailor,

> "bound himself not to enter into any business arrangement in competition with or that would in any way interfere with the business carried on by the plaintiff at his establishments in *Weybridge* or the city of London, or at any of his addresses of the future,"[24]

Lord Alverstone in giving judgement,

> "said that the Court could not break up covenants of this sort, unless after severance an enforceable contract remained; and here the words 'will not enter into any business arrangement in competition with the plaintiff' were too wide both as to time and as to space, and too vague. There was no residuum not open to objection that the Court could enforce."

So where the clause read "30 miles from either the Town Hall at *Bournemouth* or the Bargate at *Southampton*" it was held indivisible.[25]

The doctrine of these cases has been summarized as follows:

> "The covenant must, however, be so expressed that it is severable without making a new contract between the parties for the sake of validating an instrument otherwise void; the test is, whether it can be stated as two or more distinct covenants.
>
> "It is not permissible to sever a proviso from the rest of the covenant when the proviso affects the meaning of the whole; and one part of a covenant may not be severed from another unless an enforceable contract remains."[26]

The Supreme Court having followed the English doctrine it would not matter what the inferior Federal courts might hold tho *a priori* it would be

18. Eureka Laundry Co. v. Long, Wis., 131 N. W. 412, 35 L. R. A. (N. S.) 119.
19. Matthews & Adler, Covenants in Restraint of Trade (2d Ed. 1907) Ch. IV.
20. Oregon Steam Nav. Co. v. Winsor, 20 Wall. 64, 22 Law Ed. 315.
21. E. g. in Price v. Green, 16 M. & W., 346 where the contract excluded "London *or* within 600 miles thereof."
22. Baker v. Hedgecock, 39 Ch. Div. 520 (1888).
23. Woods v. Thornburn, 103 L. T. J. 421.
24. Beetham v. Fraser, 21 T. K. R. 8 (1904).
25. Hooper & Ashley v. Willis, 21 T. L. R. 691, affirmed 22 T. L. R. 451.
26. Halsbury's Laws of England 27, 574, 575. Cf. American & English Encyc. of Law (2d Ed.) XXIV, 855, 856, citing numerous cases English and American.

strange indeed if any of the latter should differ from the former. But the two cases cited by counsel announce no doctrine which, in our judgment, conflicts with that of either the Supreme Court or the English Cases. In the first [27] there was no attempt to divide the contract because the court considered that it was valid as a whole, and limited to one country instead of being, as was contended, unlimited. In the second [28] the question of divisibility does not seem to be touched upon.

Nor do we find any different doctrine announced by the state courts. On the contrary

> "It is a recognized principle that when a contract is or can be so separated in parts as to constitute two agreements, one illegal and the other legal, the latter may be enforced, and the transaction pro tanto sustained. But it is otherwise where the contract in its nature is not divisible." [29]

If the contract before us had prohibited respondent from entering into other employment *in Hankow or elsewhere* it might have been upheld as to Hankow, and it was in partial contemplation of such a possibility that the temporary injunction, limited to Hankow alone, was granted. But a study of the contract in the light of the authorities convinces us that the prohibition as to place of employment is not divisible.

We are of the opinion however that said covenant may be segregated from certain other clauses of the contract, *e. g.*, the undertaking that the employee is not "to divulge any secret * * * which he may receive or obtain relating to the business," etc. As stated in one of the authorities above quoted "a trade secret needs absolute protection," [30] and while the testimony in this case fails to show any specific secret which respondent has so obtained, still, if there is none such, the prohibition will not prejudice him and if, as would be only natural, some such secret has been learned, complainant is entitled to its concealment.

The answer as we have seen assails the validity of that clause of the contract which makes the employer "the sole judge" of whether certain specified grounds of dismissal have accrued. But in view of the conclusion which we have reached we consider it unnecessary to enter into a discussion of that question which, it was intimated in argument, is now being litigated in another forum. Anything we might say on that point, therefore, would not only be unnecessary here but might needlessly prejudice the rights of parties to said proceedings. As none of the evidence offered under this clause of the answer has been considered no time need be spent on the first contention in complainant's brief, viz., that said evidence should not have been received.

The motion for a new trial is accordingly overruled and the decree heretofore entered, dissolving the temporary injunction but enjoining respondent from divulging any secret or giving out any information which he may have obtained while in complainant's employ relating to its business or that of the International Export Company and likely in any way to affect their interests, is confirmed.

By the Court,

CHARLES S. LOBINGIER,
Judge.

27. Prame v. Ferrel, 166 Fed. 702.
28. Hall Mfg. Co. v. Western Steel & Iron Works, 227 Fed. 588.
29. Consumers' Oil Co. v. Nunnemaker, 142 Ind. 560, 41 N. E. 1048. See also Wiley v. Baumgarden, 97 Ind. 66; Beard v. Dennis, 6 Ind. 200.
30. Matthews and Adler, Covenants in Restraint of Trade (2d Ed. 1907), 64.

07-044

In the United States Court for China

In re Last Will and Testament of JOHN A. BELL, Deceased.
.....

Cause No. 699
Estate No. 265
NOTICE TO CREDITORS

NOTICE is hereby given to all parties interested that the undersigned have been appointed Executors of the above named decedent's estate; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before May 30, 1919, and all persons owing the said deceased are required to make payment to the undersigned.

EDWARD BELL,
G. CASTRILLO,
Executors,
9, Thorne Road,
c/o Shanghai Building Co. Inc.,
Shanghai, China.

November 30, 1918.

In the United States Court for China

In re Estate of FRANCIS STANLEY, Deceased.
.....

Cause No. 704
Estate No. 267
NOTICE TO CREDITORS

NOTICE is hereby given, to all parties interested that the undersigned has been appointed Administrator of the above named decedent's estates; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before May 16, 1919, and all persons owing the said deceased are required to make payment to the undersigned.

FRANCIS F. STANLEY,
Administrator,
c/o China Import and Export Lumber Co.,
Foochow, China.

November 16, 1918.